

## **CUTS GENEVA RESOURCE CENTRE**

### **Fostering Equity and Accountability in the Trading System (FEATS) Project**

#### **Consolidated Summary Report on National Inception Meetings – October 2008**

##### Introduction

Inception Meetings are important components of the FEATS project. The Inception Meeting for the project was held in Geneva on 16 July 2008. The meeting was attended by representatives of the governments, civil society and research institutions of the project countries. The main objectives of the Geneva Inception Meeting, to discuss the draft ToR for the trade policy making study and to establish an Initial Reference Group for the FEATS project were both achieved. National Inception Meetings (NIMs) were held in October 2008 in the five project countries (See Annexes I and II for the dates and the agenda template for the NIMs respectively).

##### Main Objectives of National Inception Meetings

Main objectives of the National Inception Meetings were:

- a. To broaden and deepen the understanding of all stakeholders about CUTS International, FEATS Project and the Trade Policy study
- b. To better understand the ground realities of trade and development in the project countries
- c. To establish networks by launching five National Reference Groups, one for each project country consisting of all the invited stakeholders (governmental, civil society, research institutions and media representatives)
- d. To discuss and finalize the Terms of Reference for the Trade Policy study, and
- e. To identify key potential collaborators for trade policy research and the FEATS Project

##### Outputs and Outcomes of National Inception Meetings

Main outputs of the National Inception Meetings include:

- Summary reports of the meetings
- Lists of stakeholders with contact details
- Final Terms of Reference for the Trade Policy research
- List of potential collaborators for the Trade Policy research and the FEATS project

As envisaged, there are several important outcomes of the meetings which include:

- Improved understanding of CUTS, FEATS and the trade policy research among the stakeholders
- Establishment of National Reference Groups in all five project countries
- Better understanding of the ground realities of trade and development and the needs and perceptions of stakeholders

- Development of a longer term relationship with some of the stakeholders

### Key Lessons

Important insights gained through the NIMs that will be very helpful to complete the trade policy study and to effectively implement the FEATS project are:

- Trade policy making process in the five countries has some common elements. Ministry of Trade is mandated in each country to develop and implement the trade policy in consultation with the relevant stakeholders; formal mechanisms exist to consult the stakeholders; growing recognition of domestic trade and national measures to improve trade-growth-development linkages; and varied capacity of various stakeholders on trade policy issues. Each country also has its own specificities. Uganda and Tanzania have developed comprehensive trade policies whereas Kenya, Zambia and Malawi aim to do that; and capacity of non-state actors to participate and influence the trade policy making and implementation appears to exist in Kenya, is rather limited in Tanzania, and in the other three countries lies somewhere in between.
- There is a lot of interest and substantial understanding of trade issues among many stakeholders. However, the institutional and human resources capacity of particularly non-state stakeholders to continuously and effectively engage in trade policy making and implementation is often limited. Moreover, there seems to be more knowledge and understanding of the international dimension (i.e., related to the WTO and EPAs) than of the national and regional dimensions. Knowledge of these latter dimensions appears to be increasing in recent times (probably due to lack of adequate progress in the WTO negotiations that may have freed up limited resources to focus more on national and regional dimensions). Finally, despite the criticism of some government trade policies by sections of the civil society, there is reasonable communication between the two and the relationship seems to have matured.
- Establishing local ownership will be the key to the successful implementation of the project. This will require close working relationship with selected local partners. However, this is a challenging task for a number of reasons. One, the local partners have limited institutional, human and financial capacities. These need to be supplemented to ensure their committed partnership. Two, there are competitive undercurrents among stakeholders. These should be kept in mind but should not be allowed to come in the way of the effective implementation of the project in collaboration with carefully selected local partners. Three, while the National Reference Groups (NRGs) can play a very important role in energizing the activities under the project and build a robust local base, commitment of some project resources will be required to transform NRGs into dynamic networks with acknowledged value-addition. Use of SMART Charts prepared for the five project countries in consultation with Spitfire Strategies has been very useful in ensuring effective communication with these stakeholders. CUTS is now in the process, through the National Reference Groups, to narrow down the advocacy team for FEATS to fewer but effective members.

The following pages provide main discussion/deliberation points from each of the five NIMs.

## Kenya National Inception Meeting – Nairobi, 14 October

Kenya NIM at Nairobi was quite well attended by 10 representatives from various government ministries, 14 from the civil society and the private sector, 3 from research institutions, and 2 from the media. The four substantive presentations in sessions II and III were made by Elijah Manyara, Deputy Director of External Trade at the Ministry of Trade, Mr. Eliazar Muga, Economist, Ministry of Agriculture, Mr. Christopher Onyango, Assistant Policy Analyst, Kenya Institute for Public Policy Research and Analysis (KIPPRA), and Mr. Peter Aoga, Coordinator, Kenya Civil Society Alliance (KCSA).<sup>1</sup>

Trade policy in Kenya has gone through 4 historical stages: 1) Import substitution (1960s-1980s); 2) Trade liberalisation through SAPs (1980s-early 1990s); 3) Export oriented policies (from sixth development plan of 1989-93); and 4) Vision 2030 and National Trade Policy (from 2004 to date). Vision 2030 aims to make Kenya a globally competitive economy, and develop a trade strategy that is coherent. Therefore, Vision 2030 aims to: i) promote decent, protected and recognised informal trade; ii) establishment of vibrant business supported by well established and functioning infrastructure and social amenities; iii) expansion of Kenyan exports thereby creating jobs and prosperity; iv) transformation of Kenya into a regional services hub; v) enhancement of opportunities and increase in the digital opportunity index from low access of 0.17 to medium access (0.5).

Currently, there is no comprehensive trade policy in Kenya. This has sometimes resulted in the adoption of ad hoc approaches to face the trade issues, for example, in the WTO and EPA negotiations. The Vision 2030 recognises that trade is vital to the development prospects of Kenya and there are now attempts to develop a coherent national trade policy, which will hopefully emerge during 2009. Ministry of Trade is responsible for the development and implementation of trade policy, in consultation with other relevant government ministries as well as other stakeholders. However, these consultations have not been completely inclusive at all times as mentioned by the CSOs particularly in relation to the EPA negotiations where differences between the government approach and CSO position were quite obvious. Main consultative mechanisms include the National Committee on the WTO (NCWTO) and various issue-specific clusters on EPA negotiations under a separate forum, the National Development and Trade Policy Forum (NDTPF) which has been funded by the EU. Unfortunately, these two are dealt with by two different departments within the Ministry of Trade and hence are not well coordinated. The problem of less than optimal coordination among various government ministries is also a result of the lack of a comprehensive trade policy document which should be overcome with the development of the comprehensive trade policy in the next year or so.

---

<sup>1</sup> Session I in each NIM was devoted to presentations by CUTS staff on CUTS, FEATS project, and the draft ToRs for trade policy study. This session also allowed initial comments on the draft ToRs.

Agriculture contributed 24% to GDP directly in 2006, but another 27% in linkages with manufacturing, distribution and services. Agriculture also contributes 45% of government revenues, 75% of industrial raw materials, 60% of exports and 60% of employment. Therefore, agriculture is one of the 6 pillars of the first medium term plan (2008-12) of Vision 2030. The aim is to increase agriculture growth to 10% p.a. by 2012. In terms of development of WTO-related policy, Ministry of Agriculture chairs the National WTO sub-committee on agriculture, and through this consults stakeholders on policy. The agriculture sub-committee is also a member of the wider National Committee on the WTO (NCWTO). The Ministry of Agriculture also chairs the agriculture cluster in relation to EPAs under the NDTPF.

Different groups of stakeholders have adopted varied methods to influence the trade policy decisions by the government. For example, the private sector has influenced trade policy through participation in standing committees, task-forces and key decision-making organs, lobbying either as individual firms or as associations, and petitions and threats; the donors through macro-economic reforms; grants and loan making; and projects and programmes; the civil society organisations (CSOs) through advocacy, workshops, seminars, media- press conferences, and demonstrations; and the academic and research institutions through research and analysis, Advisory and Standing Committees and decision-making organs. Civil society engagement with the NCWTO has been very effective and civil society has used a wide range of tools to engage with the NCWTO (workshops, papers, formal engagement with the consultations). On the other hand, civil society engagement with the NDTPF across the clusters could not be maintained, and it was only in market access and agriculture that it continued. One of the main controversies about civil society engagement with EPAs was how civil society could engage with the regional negotiating process, where governments negotiate regional positions. The guidelines only allowed one regional NGO (SEATINI) to engage with the regional process, and then they were thrown out for being too oppositional.

A number of points emerged to improve the trade policy making and implementation in Kenya to ensure its closer linkage with development and poverty reduction. There is room for increasing consultation among stakeholders as there is still unbalanced influence owing to the persistent dominance of the public sector and external participants over the private sector, CSOs and other groups whereas consumers do not currently feature anywhere in the trade policy-making. The main challenges for NCWTO is that it lacks a legal mandate to play a more influential role. There are also numerous negotiating groups within the Ministry of Trade and these need to be harmonized. Better coherence between the various negotiating frontiers is required. The role of the parliamentary committee on Trade, Finance, Planning and Tourism needs to be enhanced. This will assist parliament to play a stronger oversight role, which is of critical importance. Finally, civil society needs training and capacity building to better understand the complexities of trade issues and their implications.

The points related to the draft ToR for the trade policy study were acknowledged and the ToRs were finalized. All the participants also welcomed the establishment of the Kenya National Reference Group (KNRG) on FEATS and expressed their commitment to participate in the KNRG.

## **Uganda National Inception Meeting – Kampala, 15 October 2008**

The Uganda NIM at Kampala on 15 October 2008 was attended by 5 governmental, 14 civil society and private sector, 4 research organizations, and 5 media representatives. However, the physical participation and discussions were dominated by CSOs and the private sector was not as well represented. After the first session, four substantive presentations were made by Ms Connie Achayo, Principal Information Scientist, Ministry of Agriculture, Animal Husbandry and Fisheries (MAAIF), Mr. Silver Ojakol, Acting Commissioner, Ministry of Tourism, Trade and Industry (MTTI), Mr. Davis Ddamulira, Senior Policy Analyst Centre for Development Initiatives (CDI), and Ms. Jane S. Nalunga, Director SEATINI, Uganda.

The Uganda National Trade Policy (NTP) was finalised in August 2007 and implementation has started. The National Trade Policy emerged in response to concerns that trade policies needed to be updated and there was a need to create a single trade policy to coordinate government responses to trade. The process of beginning to develop the National Trade Policy was funded by DFID and brought together representatives from Inter-Institutional Trade Committee (IITC) to develop ToR for the policy. A National Trade Policy Drafting Team then worked on this under supervision of MTTI and drafts were shared with a range of stakeholders to elicit their views. It was then discussed at the 2<sup>nd</sup> National Trade Sector Review Conference and DTIS Validation Workshop and recommendations were incorporated into by a team of 5 from key ministries. The EC funded the writing of the trade policy through the UPTOP program. The National Trade Policy takes into account other existing national strategies, has been influenced by the IF process and also attempts to respond to challenge of meeting the MDGs. Key elements of the National Trade Policy are: need to bridge the trade deficit; domestic trade is a springboard for international trade and needs support (e.g. framers groups, SPS policy and support etc); importance of complimentary policies (taxes, transport, agriculture etc); need to go beyond the Washington Consensus; private sector needs support to develop; need for effective development of institutions; and need for improved linkages with District structures and processes. There are built-in provisions to continue the stakeholder consultations during the implementation of the trade policy, e.g., through the Trade Policy Review Conference, where the National Export Strategy will also be reviewed.

Agriculture in Uganda is predominantly subsistence and work is ongoing to support them to commercialise. Agriculture employs 80% of work force, contributes 40% of GDP and 75% of exports. But MAAIF has only one staff member who sits on the Inter-Institutional Trade Committee (the main body through which consultations with government and non-government actors on WTO issues are held), although it used to be 3 (one each from fisheries, agriculture, and agricultural processing departments). Moreover, MAAIF has not played a very active role in EPAs.

Research institutes can play an important role in understanding the short and long term trade interests. Many attempt (not always possible) to carry out independent analysis. They try and provide analysis on ongoing processes and try to be a body of knowledge. In fact, the government does not always respect the views of civil society even when they present informed critical responses. But if research institutes make the same arguments it has more influence on the government policy.

The main NGO networks working on trade are the Civil Society Working Group on Trade (CSWGT) and the Food Rights Alliance (FRA). The CSWGT came together to develop joint positions and then analysed the gaps in the draft policy based on this. One of the issues the civil society successfully raised with the drafting team and the consultant was the issue of domestic trade. CSOs participated in the trade policy making process through the IITC. But membership of IITC and invitations to CSOs has been ad hoc and information has not always been made available effectively. There seemed to be limited trust between the government and the CSOs as CSOs reject many aspects of the governments' neo-liberal approach, and the government reject theirs. On the other hand, civil societies' capacity and response was also deficient. It did not manage to develop its own alternative document, nor did it meet after the NTP was released to discuss the extent to which it met the CSO expectations. Moreover, CSO participation in the process was essentially a Kampala affair and there was no effective linkage with grassroots. CUTS identified some stakeholders which could take the process down to other regions.

Other issues raised in the NIM included: the importance of exploring the link between trade, development and poverty alleviation/eradication; translation of trade policy actions into substantial changes in people's lives; improving country consultative processes, strengthening linkages between key stakeholders and with Geneva representatives; adopting grass-roots approach to influencing trade/government processes and creating national ownership; the importance of the regional dimension, e.g. EAC; identification and involvement of the right stakeholders in the process; improving access to information on trade as well as the pro-activeness of CSOs in utilizing this information; and developing flanking (complimentary) measures, policies and institutions to ensure the benefits from trade.

Several key challenges remain: trade is still to be integrated into the development strategy; MTTI and other relevant ministries do not have the financial and human resources to carry out their role in full; coordination amongst government ministries and donors on trade is a problem; MAAIF does not have sufficient engagement with IITC; corruption is a problem; the private sector and trade unions do not have sufficient engagement with trade policy-making processes; obstruction to implementation of policies; and non-state actors need capacity building to better engage with trade policy-making processes.

It was agreed to adopt the finalized ToRs for trade policy study taking into account all the relevant comments and suggestions made in the NIM. It was also agreed to establish the Uganda National Reference Group (UNRG) on FEATS that will include all the NIM participants. This informal, e-mail group will be kept informed of the progress on the study as well as regarding other FEATS activities. Members of the group will be welcome to utilize the group for raising/answering questions and initiating discussions on topical trade issues.

### **Tanzania National Inception Meeting – Dar-Es-Salaam, 17 October 2008**

The Tanzania NIM was attended by 5 governmental, 3 civil society and private sector, 1 media representatives and 5 researchers. After the presentations and initial discussion on CUTS, FEATS project and the ToRs for trade policy study in the first session, three substantive presentations were made by Mr. Alfred Mapunda, Assistant Commissioner, Ministry of Industry, Trade and Marketing (MITM), Prof. Robert Mabele, Associate Research Professor, Economic

Research Bureau, University of Dar Es Salaam, and Mr. Nestory Masswe, Tanzania Association of NGOs (TANGO). Despite an earlier confirmation, the representative of the Ministry of Agriculture could not attend and make the presentation.

The current National Trade Policy of Tanzania was announced in 2003. The main reason for this NTP formulation was the socio-economic reforms and technological advancements within and outside the country making it necessary to review or formulate new national policies, including the trade policy. Main elements of National Trade Policy (2003) formulation process were: Situational Analysis and Problem Identification, Formulation of Policy Objective, Vision and Mission, Formulation of Policy Statements, Formulation of Implementation Arrangement, Formulation of Policy Implementation Strategies, and Formulation of Monitoring and Evaluation Mechanism/Framework. MITM had the primary responsibility for making NTP 2003 in collaboration with other government ministries/agencies and other stakeholders. Other ministries/government agencies involved in the process included: Ministry of Finance and Economic Affairs, Ministry of East African Cooperation, Ministry of Agriculture, Food and Cooperatives, Ministry of Livestock Development and Fisheries, Ministry of Natural Resource and Tourism, Ministry of Energy and Minerals, Ministry of Infrastructure Development, Ministry of Lands, Housing and Human Settlements, Ministry of Water and Irrigation, Prime Minister's Office – Regional Administration and Local Government. (PMP-RALAG), Business Registration and Licensing Agency (BRELA), Better Regulation Unit (BRU), Weights and Measures Agency (WMA), Bank of Tanzania (BoT), Tanzania Revenue Authority (TRA), Board of External Trade (BET), and Small Industry Development Organization (SIDO). Other stakeholders that were involved Tanzania National Business Council (TNBC), Private Sector Foundation (TPSF), Confederation of Tanzania Industries (CTI), and Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), etc from the private sector; institutes of higher learning like the Economic and Social Research Foundation (ESRF) and the University of Dar-Es-Salaam; representatives of international organizations and donors' community; and some NGOs.

Parallel to NPT formulation and implementation, in 2002 Tanzania started negotiating EPAs and a consultative body was formed, the National EPAs Technical Team (NETT), open to non-state actors. NETT carried out some awareness raising activities, but only had limited funds to do so and managed to reach only a limited number of stakeholders.

The most influential actors in trade policy making and implementation have been the government ministries/agencies. Other influential groups include industrial organizations like CIT, the Chamber of Mines and TCCIA. The Farmers' Organizations are also trying to increase their influence. But consumers, cooperatives and trade unions are the least influential. Important factors in determining the influence of an interest group are the homogeneity of interest, organization and availability of resources (personnel and finance).

The role of civil society in Tanzania has often been to monitor government and demand accountability; develop capacities of their members to engage in policy processes; and to engage in dialogue with the private sector. CSOs began to emerge following the move to multi-party democracy. The main focus of CSOs in relation to trade has been EPAs in recent years. But CSOs are also represented in a number of trade-related technical working groups, although their engagement is ad hoc and reliant on government will. Donors have played a role in pushing

government to consult CSOs. CSOs still face many challenges in effective participation in trade policy related processes. For example, they lack resources to carry out analysis / research to provide alternatives. Hence they are left opposing processes like EPAs without having clear alternatives and the government decides that CSOs are being only critical without providing any real value added. Also the reactionary attitude of some CSOs has hampered their role in the trade policy process and development.

Despite having a trade policy in place since 2003, Tanzania has experienced chronic trade deficit in its international trade, increase in counterfeit products, and dumping. Similarly, domestic trade despite its potential continues to be neglected and the SMEs that spearheaded the success story among the Asian tigers are not being supported in Tanzania. Is it a failure of policy or its proper implementation? The reason could be that policy evaluation has mostly been avoided as it often is perceived negatively by the relevant government servants for fear of weaknesses being brought out. Hence the attitude of policy makers is one thing that must be addressed.

The role and influence of stakeholders in trade policy making and implementation in Tanzania can be strengthened by: capacity building for the private sector and NGOs through training seminars and workshops which include learning some of the technical terms and techniques involved to improve their participation in the trade policy process; regular functioning of the Platform on National Dialogue on trade issues with opportunities given to all to contribute ideas; and formation of apex or umbrella organizations of interest groups (e.g., interested CSOs, SMEs, etc) to help better and more manageable representation.

Finally, the revised ToRs, taking into account the relevant comments and suggestions were adopted and the Tanzania National Reference Group (TNRG) on FEATS was established. The TNRG will include all the NIM participants.

### **Zambia National Inception Meeting – Lusaka, 20 October 2008**

The NIM at Lusaka was attended by 6 representatives from the government ministries/agencies, 11 from the civil society and the private sector, and 4 each from the research organizations and the media. A representative of the UNDP local office was also present in the meeting. Substantive presentations in sessions II and III were made by Mr. Sikatema S Mulonda, Director Domestic Trade, Ministry of Commerce, Trade and Industry (MCTI), Mr. Ernest Mwape of Economics Association of Zambia, and Mr. Saul Banda of the Civil Society for Poverty Reduction. The representative of the Ministry of Agriculture and Cooperatives could not attend and make the presentation due to a last minute assignment at the Ministry.

Formulation and implementation of National Trade Policy was a preserve of the Government of the Republic of Zambia through the Minister of Commerce, Trade and Industry. The MCTI was the only government agency that has the mandate to initiate and conclude trade policy changes including advice on bilateral, regional and multilateral trade agreements. The MCTI pursues the formulation and implementation of the trade policy to facilitate and promote growth, development and competitiveness of commercial, trade and industrial sectors in order to enhance socio-economic development and to develop a sustainable and globally competitive commercial, trade and industrial base in order to contribute to social and economic development of the



country. The last trade policy was prepared in 1994: this has been substantially revised on the basis of experience, internal and external developments, and the inputs from the stakeholders. The draft of the revised trade policy is now ready. It was acknowledged that the first and second Republics were characterised by non consultation of local stakeholders in policy formulation but the third Republic has adhered to the principles of consultation and participation of stakeholders. The main forum for the consultations is the National Working Group on Trade (NWGT). Several government ministries/agencies are important contributors to the trade policy making and implementation, the most important being the Ministry of Agriculture and Cooperatives (MOCA). Regulation of agricultural trade domestically and internationally falls under MOCA because of food security, health, sanitary and phyto-sanitary concerns. Main private sector stakeholders in the process include Zambia Chambers for Small and Medium Business Association (ZCSMBA), Zambia Private Sector Development Association (ZPSDA), Zambia Association of Manufacturers (ZAM), and Zambia National Farmers Union (ZNFU).

The role of the civil society in trade policy dialogue is basically through four broad areas of engagement which include: research and policy analysis, lobby and advocacy, capacity building, and raising awareness through information sharing. In the area of research, the civil society provided an alternative think tank in carrying out research in areas that impact negatively on various sectors of the economy. Several CSOs in Zambia have actively been involved in research work and have produced results that have facilitated/influenced the government decision making process. As a result of good research base and policy analysis, the CSOs have a good platform to lobby the Government on issues that concern the general public. This is mainly through round table meetings with the relevant ministries as well as participating in the national working group meetings organised by MCTI. CSOs have formed a Civil Society Working Group on Trade where they discuss strategies and the way forward with regard to the trade policy issues. CSOs have also attempted to build capacity of the stakeholders including the state economic actors to better understand and analyse trade policy issues. For example, through the Magoye project the Civil Society Trade Network Zambia (CSTNZ) has built the capacity of small-scale farmers to articulate their interests to influence the policy as well as improved their livelihoods through activities such as value addition. This project has been adopted by COMESA and the MCTI and further work may be replicated in other areas. In terms of awareness raising, the CSOs have identified problems in Zambia's trade arrangements, from policy formulation, implementation to monitoring and evaluation, and have fed the resulting concerns into the policy making process. Local language was used in some cases in reaching out to the people and a number of books have been published in local languages so as to reach out to those who did not understand the official language. In terms of dissemination of information in general, statements have been issued in the press and TV programmes have been conducted though a lot more effort was still needed in order to enhance the communication further. The major weaknesses in CSO activities on trade policy issues have been: lack of linkages with the grassroots as the findings of researches in most cases were not taken back to the grassroots; and the less-than-perfect relationship between government and CSOs because government sometimes perceived CSOs as enemies.

While acknowledging that Zambian stakeholders had a fair chance to participate in trade policy formulation, their role and influence can be improved by: political will and commitment to consultative processes; strengthened ability of stakeholders to make regular, technically

informed contributions; regular, timely feedback of developments by government servants to all stakeholders; better coordination among government agencies and harmonisation of policies to avoid sending conflicting signals; and ensuring equitable distribution of benefits from better market access among private sectors of various supply capacities.

Media had a surprisingly deep interest in the NIM; local TV aired the NIM on prime time.

At the end, the ToRs was revised on the basis of comments and suggestions and adopted. The meeting also established the Zambia National Reference Group (ZNRG) on FEATS including all the NIM participants.

### **Malawi National Inception Meeting – Lilongwe, 23 October 2008**

The Lilongwe NIM was very well attended. There were as many as 12 governmental functionaries as well as 16 representatives from the civil society and the private sector, and 4 each from the research institutions and media. One salient feature was the presence of two members of the parliament who chair the parliamentary committees on finance and trade respectively. Sessions II and III substantive presentations were made by Mr. H.J.K. Mandindi, Director of Trade, Ministry of Industry and Trade (MOIT), Mr. Frank Amanga, Chief Economist Ministry of Agriculture (MoA), Mr. Milward Tobias, of the African Institute for Development Research, and Mr. Mavuto Bamusi, National Coordinator, Human Rights Consultative Committee of Malawi.

The formulation, implementation and management of Trade Policy in Malawi is the responsibility of the Ministry of Industry and Trade and the Ministry undertakes this task by taking into account the interests of the Government, private sector and consumers. The Trade Policy contributes to the realization of the Malawi Government vision of “transforming the Malawi from a predominantly importing and consuming country to a predominantly producing and exporting country”. The Policy is premised on the need to integrate the country and to participate effectively in the multilateral trading system. This policy was developed in 1998. Two strategies, namely, the National Export Strategy (improving the terms of trade and competitiveness of Malawi products) and the Private Sector Development Strategy (creating an enabling environment for the growth of the private sector) are closely linked to the achievement of the trade policy objectives. The process for trade policy making is demand-driven. It emanates from Ministry’s mandate to regulate and align trade to current Government policies, regional and multilateral trading systems and the interests of private sector. Other ministries participate in the process through Inter-Ministerial Committees (IMCs) and Regional Working Groups (RWGs). A key institutional arrangement in this regard is the National Working Group on Trade Policy (NWGTP). Established in 2000, the NWGTP advises government on all trade related legislative and policy matters, also provides a framework for monitoring and evaluating the implementation of Malawi’s trade agreements, provides a framework for ensuring conformity with the agreed rules, and facilitates consultation and cooperation among the private and public sector parties to promote trade. The recommendations from inter-agency meetings are submitted to the Minister of Industry and Trade. Those recommendations on trade policy matters that impact on other Government policies are processed through Cabinet. After Cabinet approves the

said recommendations policies are made and policies requiring enactment of laws are processed further through Parliament.

The policy on maize is being managed by the MOIT since it is mandated to deal with all trade-related issues in the larger national interest. MOIT does attempt to consult all concerned but urgent matters also need actions. The action on maize therefore is through government Directives.

Malawi strives to balance the rights and obligations under both the SADC and COMESA. This is a difficult task but it is expected that the Declaration adopted by leaders of EAC, SADC and COMESA member governments in Kampala, Uganda recently will lead to harmonization of regional integration process under these three arrangements. It should also be noted that SADC has a Parliamentary Forum where speakers and some national MPs of member countries meet to discuss issues. Malawi had not initialled the EPA with the EU because it believed its interests would be better served under the EBA than the proposed EPA.

Agriculture is the most important sector of Malawi economy. It contributes 38% to GDP and 90% to foreign exchange earnings, and employs 85% of workforce. Government's aim is to increase agricultural productivity & profitability for equitable household food security, income and employment and sustainable utilization of natural resources. Ministry of Agriculture (MoA) is consulted during trade policy diagnostic survey planning as well as at implementation-data collection and stakeholder consultation workshops. MoA chairs the Agriculture Cluster in EPA negotiations that reviews SPS measures and is also a member of EPA Market Access & Development Clusters. Under Market Access Cluster MoA has been involved in revising a list of sensitive products for Malawi. MoA also participates in issues that involve food standards handled by the Malawi Bureau of Standards. Major challenges faced by MoA in effective participation on trade policy issues include: pressure on limited technical, time and monetary resources given the complex and difficult nature of issues; little opportunity to build up a relationship of trust and lack of sense of ownership as most often foreign consultants are assigned by the MOIT to undertake background studies and prepare reports; donor driven technical assistances; inadequate coordination on the part of government institutions; and lack of timely feedback on comments etc. by the MOIT and COMESA/SADC secretariats.

In addition to the government ministries/agencies, many other stakeholders from the private sector and the civil society attempt to influence trade policy making. But they have been more active on policies related to international agreements, like the WTO and EPA and less on regional (e.g., SADC and COMESA) and domestic trade issues (e.g., counterfeiting, anti-competitive behavior). Capacity constraints and tight timelines (e.g. in EPA negotiations) have also limited the influence of the stakeholders. But some successful examples include: NWGTP on privatization, and MCCCCI (Malawi Confederation of Chambers of Commerce and Industry) in ensuring reduced government intervention, tax policy, exchange rate management etc., and CISANET on farm subsidy reversion. They were successful because MCCCCI represents the corporate sector that is engine for economic growth and hence can elicit response from the government; NWGTP aligns the interests of the public and private sectors; and CISANET was able to push through opposition parliamentarians who currently are in a majority in the parliament. However, several stakeholders are not currently represented in the process. These

mostly belong to the domestic trade sector which is largely informal. Hence Malawi Union for the Informal Sector (MUFIS), Indigenous Business Association, Parliament, Center for Social Concern, CAMA, and Farmers Union should also be included.

The experience of CSOs in policy consultations has been of an evolving nature, starting from the Poverty Reduction Strategy Paper (PRSP), to Malawi Economic Growth Strategy (MEGS), to Malawi Growth and Development Strategy (MGDS). There was minimal participation of the CSOs in the PRSP process which was considered too technical. The situation improved marginally for MEGS process but the CSO participation was again lower in the MGDS due to process and time issues. CSOs face a number of challenges in their effective participation in trade policy making. These include: lack of analytical skills and competencies within CSOs, technical nature of trade policy, inadequate access to information on trade policy, ideological differences between private sector and CSOs on trade regime options, e.g. liberalisation vs. state interventionist approaches, citizens more interested in issues related to petty trading or mere vending (micro-level) than the bigger issues of policy, and external influences on trade policy that align Malawi government away from CSOs and more to multilateral institutions. CSOs also face questions about legitimacy. CSOs can acquire legitimacy only after sometime and hence government may be hesitant in contacting all of them which may include CSOs that have yet to establish their legitimacy. At the same time CSOs claim that their legitimacy is based on having sufficient interest; otherwise they will be chased out by the people.

The ideas/suggestions to improve the trade policy making and implementation in Malawi included: Ministry of Economic Planning and Development (MoEPD) to take a leading role; technical assistance designed to transfer skills and knowledge to government officials and not under capacitating them; strengthening coordination amongst government institutions by putting in place an independent government institution to coordinate; increasing capacity through increased human resources, utilization of available human resources and adequate financial resources; more CSO space in actual formulation based on experiences in PRSP, and MGDS; enacting legislation for CSO access to trade information; dissemination of trade policy information to citizens as a way of demystifying trade from being regarded as a “technocrats only” area; strengthening CSO networking on trade (learning from EPA collaborations where MEJN, MCC, CISANET, Oxfam, Action Aid, and others collaborated closely); and prioritising citizen participation and action on trade policies through community based networks.

The meeting approved the revised ToR as well as the establishment of the Malawi National Reference Group (MNRG) on FEATS. This informal e-group was open to all the NIM participants and will be utilized by CUTS team to keep them apprised of the progress in the study as well as other developments in the FEATS activities. The participants were also welcome to use the group to seek information and to initiate discussions on topical trade issues.