Tradequity
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Promoting Development through EPAs

Reciprocal Trade Arrangements

The Economic Partnership Agreement (EPA) negotiations between the European Union (EU) and the African, Caribbean and Pacific (ACP) countries are expected to establish reciprocal trade arrangements, which will replace the current regime of non-reciprocal preferences. ACP countries have been negotiating EPAs with the EU through their respective regional groupings, which are scheduled to be completed by the end of 2007 when the WTO waiver on ACP-EU preferences comes to an end. Among the negotiating groups, the Eastern and Southern Africa (ESA) countries produced a draft text for negotiations with the European Community (EC). The text stipulates ESAs interests in all negotiating clusters which bridge across national interests on all member countries.

Divergent Priorities

For ESA, trade liberalisation with EU is branded undesirable due to the significant differences in the levels of economic development of the two regions. It cannot be denied that EPAs may pose a significant challenge considering the lessons learnt in most countries from liberalisation programmes over the past decade. The lessons learnt include the loss of jobs, increased HIV/AIDS, escalated problems of orphans, and inadequate finances for the health and education sectors.

Policy makers, interest groups etc., have raised concerns that a free trade arrangement (FTA) between ESA and EU may lead to undesirable consequences. Given that the EU has already liberalised the majority of its trade with ESA countries, and EPAs will require ESA countries to undertake more significant liberalisation commitments than the EU, this is a threat to ESAs development prospects and poverty reduction efforts. Liberalisation on ESAs side will entail loss in tariff revenue and increased regional competition for the fragile productive sectors.

Unfortunately, the stuttering progress of the negotiations have done little to quell ESA fears about the threat that EPAs pose to their economies. The EC's approach to promoting development through EPAs is trade liberalisation, the key to development. However, ESA group has taken the view that to promote development, EPAs need to address supply side constraints. This contrasting approach to development by EC and ESA almost led to the abandonment of the first text based negotiating meeting.

Benchmarking EPAs

The failure to date by EC and ESA to develop criteria against which a final agreement and its implementation could be judged has led some to call for the establishment of economic and social criteria, usually referred to as "development benchmarks". The establishment of development benchmarks was first proposed in 2002 at the ACP-EU Joint Parliamentary Assembly in Cape Town. The subject has received little attention, besides an emerging interest amongst non-state actors from the North and South to operationalise this concept. Current thinking about how to define these development benchmarks suggests that they should be grouped into three categories: *market access and fair trade; policy space; and development support.*

Market access and fair trade – In relation to market access, a development-friendly outcome is usually referred to in the terms e.g. asymmetry in product coverage and implementation periods for liberalisation between ACP and EU; better access for ESA exports to Europe including strengthening ESA capacity to comply with Sanitary and Phyto Sanitary (SPS) measures; and trade rules that stimulate value addition for the traditional ACP commodities.

Policy space - ACP countries have repeatedly called for EPAs to maintain the 'policy space' required by Governments to pursue their own strategies for economic, social, cultural, environment and institutional development. Attention should be given to the risks involved in negotiating trade-related disciplines that may hinder the capacity of ACP countries to implement policies in these areas.

Development support - The effectiveness of adjustment programmes associated with the process of trade liberalisation with the EU and the success of institutional reforms, as well as policies for improving competitiveness and overcoming supply-side constraints are linked to the availability of resources for development support. Two broad issues in this dimension may deserve prioritisation: first, monitoring the course of negotiations in the *resources for development support* dimension; and second, real access and administration of the resources available.

Conclusion

Given that the fundamental building blocs of the negotiation and implementation of EPAs are at the national and regional levels, it is important for any benchmarking proposal to take into consideration priorities and development criteria at the national and regional level. It is important for individual countries to undertake comprehensive assessments of their national priorities in relation to EPAs and to propose criteria.

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Uganda Gets Budget Support

The UK Government has provided a sum of £35 million (US$68mn) for poverty reduction budget support to Uganda for the 2006-2007 period. Outlining the guiding principles of budget support, UK Secretary of State for International Development, Hilary Benn indicated that UK's aid partnership is based on a shared commitment to reducing poverty, tackling corruption and respecting human rights.

The £35 million poverty reduction budget support was first made available in June 2006 and was pegged on the Ugandan Government's commitment to tackling poverty, fighting corruption and respecting human rights. The UK pledged to review its budget support at the beginning of 2007 and was optimistic that further progress would be made in improving control of public administration expenditure and tackling corruption. *(NV, 21.11.06)*

G-8 on Africa's Investment

Germany has proposed that the Group of Eight (G-8) leading industrial nations would forge 'reform partnerships' with a select group of well-governed African democracies in the year 2007 to help them attract international private investment.

A senior official from Germany, who took over the presidency of the G-8 in January 2006, sought to distinguish Berlin's plans from 2005's British G-8 presidency, which focused on debt relief and increased aid to Africa.

An internal German cabinet briefing paper argues that 'an important factor in Africa's economic future is the private sector. Therefore, the economic and political contexts in African countries need to be improved to attract large-scale international investments'. *(FT, 19.10.06)*

Kenya Unveils Vision 2030

Kenya has unveiled a national plan to help transform its economy and place it on the road to sustainable economic development. The Vision 2030 aims at realising a sustained economic growth of 10 percent per annum, over the next 25 years. It targets at a just and cohesive society enjoying equitable social development in a clean and secure environment.

In addition, the visions seek to realise a political environment in which issues are people-centered and result-oriented. These ambitions, if realised, will help transform Kenya into a globally competitive and prosperous nation with a high quality of life by 2030.

In order to successfully implement the plan, a committee chaired by the head of public service and composed of permanent secretaries from key ministries, have been instituted. This is supported by the Ministerial Vision 2030 committee of five to seven cabinet ministers. *(DN, 13.10.06)*

Agriculture to Stir up Development

Agriculture is widely considered to have potential to stimulate economic development and contribute to poverty reduction in Africa. The sector has not lived up to its expectations due to lack of new appropriate production methods, new crops and low budget allocations.

The Nigerian Government recently held a summit in capital city Abuja on '*Food Security in Africa*' aimed at finding a lasting solution to the critical food security problem in Africa. Dr Mpoko Bokanga, Executive Director, African Agricultural Technology Foundation (AAFT), indicated that reviving Africa's agriculture requires commitment to genuine social change. He called the African nations to aim for not only at attaining food sufficiency but also taking up the rightful place in world trade and economy and to contribute equally with the rest of the world. *(TD, 17.12.06)*

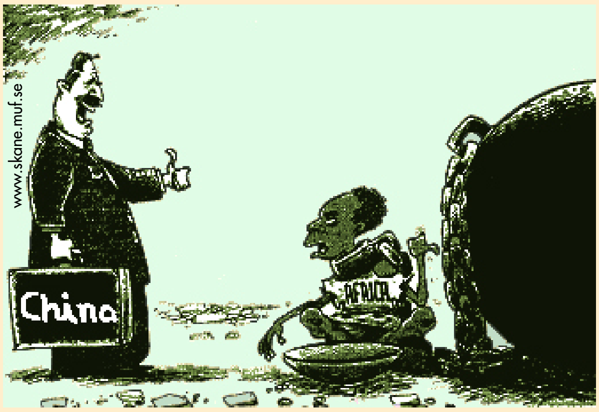
Unemployment Hits Botswana

Botswana is recording increase in the levels of unemployment. In 1991, unemployment rate was recorded at 13.9 percent, which is currently estimated at 23.8 percent, with most job losses being recorded in construction, transport and communication sectors. The fall in employment levels is attributed mainly to the country's legislative environment, as concluded by the Foreign Investment Advisory Service (FIAS) of the World Bank (WB).

The Botswana Federation of Trade Unions contends that youths and university graduates are the most affected lots. In order to address the rising unemployment, the Government of Botswana has resorted to reviewing the country's laws and policies and launching a new investment policy. Keith Jefferis, former deputy governor, Bank of Botswana opines that some of the legislative reviews have had the opposite effect, resulting in fall in investments. *(www.allafrica.com, 02.11.06)*

China to Double Aid to Africa

At the start of a two-day summit between China and more than 40 African countries, Chinese President Hu Jintao pledged to double his country's assistance to the African continent by 2009, and proposed a raft of new loans, development projects in health and agriculture, and debt cancellations.



Describing the summit as one 'that would go down in history', Hu said that China will offer US$3bn in preferential loans and US$2bn of export credits to Africa over the next three years in addition to creating a China-Africa development fund.

Hu announced that Beijing will also train 15,000 African professionals and increase the number of categories of goods granted tariff-free import status to China from Africa's poorest countries.

The China-Africa summit was the biggest diplomatic gathering ever hosted by the country. *(TH, 06.10.06 & ET, 05.10.06)*

Water Shortage in Africa

The 2006 United Nations (UN) Human Development Report explores the water shortage problem in Africa. It argues that although a few regions such as Sahel and northern Kenya are drought prone, and that uneven distribution of natural water sources is a factor, Africa basically suffers from unequal water distribution stemming from poor 'political' governance of the resource.

For instance in Kibera, an area in Nairobi, an estimated 700,000 people experience acute water scarcity such that the area has experienced a sevenfold child death rate *vis-a-vis* the Kenyan average. But over the main road from Kibera, is the Royal Nairobi Golf Course, which has the sprinklers operating on a 12 hour a day basis.

The Report also draws attention to losses made by Africa as a result of water shortage. The underdevelopment of the irrigation system has caused an estimated five percent gross domestic product (GDP) annual loss. With women searching for water and the resultant enormous loss of life Africa accounts for about 40 percent of the total child deaths from water related problems.

(www.allafrica.com 16.11.06)

Boosting Ethiopian Farming

The Indian Government is considering a proposal to send a four-member team of experts to study salinity and give technical advice for increasing agricultural production in Ethiopia. A concept paper has been prepared by the Department of Agricultural Research and Education, Ministry of Agriculture and forwarded to the External Affairs Ministry.

Dr Abera Deresa, Ethiopian State Minister of Agriculture and Rural Development, is leading an eight-member delegation to discuss potential cooperation between India and Ethiopia in the agricultural sector. Kanti Lal Bhuria, Minister of State for Agriculture expressed India's willingness to cooperate in research, training in fishing, and dairy development.

India has a surplus in agricultural trade with Ethiopia. During 2004-05, its farm exports to Ethiopia amounted to US$5.79mn against imports to the tune of US$2.34mn. India exports paper, wood products, rice and dairy products, and its major imports are pulses and spices.

(TH, 18.10.06)

High Transport Cost

Infrastructure deficit is retarding Africa's economic growth, international competitiveness and negatively affecting poverty reduction efforts. The World Bank's Africa Development Report 2006 contends that about 40 percent of the African population is in landlocked countries where transports costs are high and trade links are poor. The report indicates that even intra African trade transport costs are almost double the cost levels in other regions of the developing world.

Citing Uganda, the report indicates that clothing exports from the country are estimated at 80 percent more expensive due to transport costs. Rwanda is another country which does not realise the full benefits of its fast growing coffee export industry, as its farmers receive only 20 percent of the price of their coffee, due to transport expenses.

With high transport costs, African products are finding it difficult to compete with goods from other regions where transport costs are favourable, which translates into low revenue for and channelling into country's programmes, including poverty reduction programmes. The WB implored Africa to improve its infrastructure, which is critical to private sector development. *(ZDM, 27.11.06)*

Debt Sustainability Framework

The executive boards of the International Monetary Fund (IMF) and the WB in April 2005 endorsed a joint framework for Debt Sustainability Assessments (DSAs) in Low Income Countries (LICs). A review of the Debt Sustainability Framework (DSF) was conducted by the executive boards of the IMF and WB in April 2006 as well as the implications of the multilateral debt relief initiative (MDRI).

The DSF is meant to guide LICs' borrowing decisions to ensure that their financial needs match with their current and prospective abilities to service debt, tailored to their specific circumstances. Besides, it provides guidance to official creditors and donors to ensure that resources channelled to LICs are provided on terms that are consistent with LICs' long term debt sustainability and progress towards meeting the Millennium Development Goals (MDGs).

The IMF admitted that LICs face huge challenges in meeting their diverse development objectives including MDGs i.e. their external debt remains at a sustainable level. It remains to be seen if the DSF will help LICs keep a balance and make significant progress on the two fronts. *(DT, 16.11.06)*

The Fastest Growing Region

In 2006, Africa will be for the second consecutive year the fastest growing region in terms of international tourist arrivals. The United Nations World Tourism Organisation (UNWTO) has supported the development of African tourism destinations as a means to contribute to the economic and social development.

"Africa as a whole is at the heart of the UNWTO's concerns", said Francesco Frangialli, UNWTO Secretary-General during the opening of the 79th UNWTO Executive Council in Algiers.

The development of African tourism relies not only on well-established destinations, but also growth in emerging markets on the continent's tourism map that makes an important contribution, led by Algeria along with Botswana, Ethiopia, Mali, Nigeria and Senegal.

(UNWTO, 23.11.06)

AGOA Provisions Extended to 2013

African garment producers and US retailers can rejoice that the African Growth and Opportunity Act (AGOA) provision for third-country fabric provision has been extended until 2013. This means that AGOA eligible countries can source intermediate inputs in terms of textile from non-eligible countries and still qualify under AGOA.

Most Common Market for Eastern and Southern Africa (COMESA) countries qualify to export over 800 products including garments duty-free quota-free (DFQF) access to the American market. COMESA has continuously campaigned for the extension of AGOA and has emphasised the need to make it contractual so as to increase confidence in it and make it more predictable.

CropLife International – a global federation representing the plant science industry with a network of regional and national associations in 91 countries – has signed a Memorandum of Understanding (MoU) with COMESA to cooperate in areas, among others, SPS standards, natural agricultural products so as to access the EU market. *(COMESA, 15.12.06)*

Angola Joins OPEC

On December 14, 2006 Angola became the full-fledged member of the Organisation of Petroleum Exporting Countries (OPEC). This follows the country's admittance by OPEC at its 143rd extraordinary conference held in Abuja, Nigeria. According to the Angolan delegation leader at the conference, Oil Minister, Desidério Costa, the development permits Angola as an oil producing country, not to be 'left isolated from the world'.

Angola is the second largest producer of oil in Africa after Nigeria, with a total production of 1.4 million barrels a day. The oil sector expects production to hit 2 million barrels a day in 2007 with the additional production coming from exploration of new wells. The country also has massive oil reserves - estimated at 12.5 billion barrels. Angola is heavily dependent on oil, the sector accounted for 90 percent of the country's exports and half of its GDP and 80 percent of the country's fiscal revenues in 2005. *(AP, 14.12.06)*

Agriculture Agenda Adopted

At a meeting in Nairobi, Erastus Mwencha, Secretary General, COMESA, rallied COMESA member countries to diversify their trading merchandise with special emphasis on agricultural products in an effort to eradicating extreme poverty and hunger, one of the MDGs. The meeting was aimed at discussing the design and implementation processes of the Comprehensive Africa Agricultural Development Programme (CAADP) agenda.

Mwencha stressed that COMESA was keen on facilitating the implementation of the CAADP, a key framework within the New Partnership for Africa's Development (NEPAD) under the African Union (AU). He called on the concerned countries gravitating under the NEPAD initiative to come forward in order to increase sector productivity and further expanding agriculture's contribution to regional trade and integration.

Mwencha further noted that agriculture has a lot of potential as only about 15 percent of arable land in the region is presently utilised and only five percent of cultivated land is under irrigation. *(KT, 15.12.06)*

Common Freight Standards

Tanzania, Uganda, Kenya, Rwanda, Burundi and Democratic Republic of Congo are working on Common Freight Forwarding Standards to minimise flight costs in the region. The East African Community (EAC) member countries are expected to adopt a common curriculum for training on freight forwarding for the professional certificate and diploma levels.

Walter Mndeme, secretary general of the Tanzania Freight Forwarders Association (TFFA) said that the common curriculum will aim at introducing paperless freight forwarding in EAC Customs Union (CU) by 2010.

Holders of the certificate and clearing and forwarding practitioners will be licenced to operate in the region. These clearing practitioners will also learn logistics and cargo supply clearance, including security to meet EU standard requirements. *(EA, 09-15.10.06)*

COMESA Development Fund

A COMESA fund for cooperation, compensation and development is in the pipeline. According to Mwencha, eight COMESA countries, viz. Zambia, Zimbabwe, Madagascar, Libya, Egypt, Djibouti, Swaziland and Uganda have signed the Protocol to establish the fund.

The fund is expected to address problems arising out of the integration process, and generally would provide grants or loans for research, development and feasibility studies aimed at enhancing integration of the sub-region.

It would also be used to provide means to facilitate sustained mobilisation of internal and external resources.

To ensure that the fund is well oiled to effectively address the goals for which it is established, COMESA has made proposals soliciting for budget support to it. *(ZDM, 22.11.06)*

SADC Economic Union by 2018

"Southern African Development Community (SADC) countries have set a timetable to transform the region into a free trade economic union by 2018", said Botswana's foreign affairs and international cooperation minister Lt General Mompati Merafhe.

He said that all SADC states are not prepared to join a union, which would ultimately compromise their sovereignty. He added that Botswana would not enter into such agreements without taking into consideration the nation's best interests.

On other issues, General Merafhe said that he was impressed with the contribution of SADC states towards transforming the Democratic Republic of Congo into a successful political and economic unit which would add more value to the SADC region. *(www.tralac.org, 26.10.06)*

EPA Deadline to be Extended

Negotiations on a new trade pact between the EU and the ACP countries on market access may extend beyond the January 2008 deadline. The proposed trade pact promises to maintain the existing preferential market access to the ACP countries though they would be required to open their economies to imports from the EU.

EU trade commissioner P Mandelson hinted that the deadline could be extended but only with the approval from other members of the WTO."Our deadline to negotiate EPAs is January 2008 when the Cotonou waiver expires", Mandelson said in a statement released by the EU offices in Nairobi. "We can be flexible – after all development is our goal, not deadlines", he added.

(TS, 24.10.06)

Expanding US-Africa Trade

African countries recorded a continued boost in exports to the US due to the commodity price boom. In the nine months preceding October 2006, South Africa recorded US$5.6bn worth of goods exported to US, almost the value of total exports recorded in 2005. Minerals and metals accounted for US$3.9bn of South African exports to US. However, South African export growth is generally attributed to higher commodity prices and not to the AGOA, which only accounted for US$1.3bn worth of exports to US.

According to Eckert Naumann, an economist and associate of the Trade Law Centre for Southern Africa (TRALAC), exports of textiles and apparel shrank from US$81mn to US$64mn although around half of these products enjoy duty free access to the US market under AGOA. Nuamann, however, noted that Lesotho, Kenya, Madagascar and Swaziland have benefited most from textile and apparel exports.

In the reporting period, Nigeria was the region's biggest exporter to the US – with US$21.9bn – almost entirely comprising energy-related products. Nigeria accounted for over half of all exports under AGOA followed by Angola, with US$8.7bn. *(BR, 15.12.06)*

Fight against Climate Change

On December 18, 2006, P Mandelson, called on countries to reach an agreement on abolishing tariffs on equipment for industries such as clean power generation and renewable energy to strengthen the fight against climate change.

The EU trade chief pointed out his opposition to some calls for EU to impose tariffs on imports from countries that had not ratified the UN's Kyoto Protocol aimed at reducing greenhouse gas (GHG) emissions. Prominent among the countries that have not signed the Kyoto Protocol is the US, which apparently is one of Europe's key trading partners. Mandelson contended that progress on climate change could only be made through international cooperation and not through coercive policies.

The WTO members have so far failed to reach an agreement on special treatment for environmental goods despite the subject being discussed as part of the Doha Round of negotiations. *(RT, 19.12.06)*

Mozambique to Cut Tariffs

Mozambique is aiming to reduce customs tariffs with effect from 2007. On November 01, 2006 the Mozambican Parliament passed the first reading of a Government to reduce general customs duties on consumer goods from 25 to 20 percent. The reduction will apply to goods coming from outside the SADC region since member countries were already charging a maximum customs tariff of 20 percent under the SADC trade protocol.

Introducing the Bill, Finance Minister Manuel Chang declared, "creating conditions favourable to international trade dictates a continual process of tariff reduction, seeking to bring Mozambican policy in line with the liberalisation principles established by the of which Mozambique is a member".

The Mozambican Government has been gradually reforming its customs regime, which was at a maximum rate of 35 percent. The Government is confident that reduced tariffs would improve revenue collection because of greater affordability of the tariffs, coupled with strengthened customs administration and broadening of the tax base through discouraging customs fraud. *(AI, 02.11.06)*

Global Jewellery Demand

Global jewellery has the potential to grow by almost seven percent annually to reach US$280bn by 2015, spurred by India and China. The global gems and jewellery industry was estimated at US$146bn at retail prices in 2005.

The joint study by the Gems and Jewellery Export Promotion Council Mumbai and consulting firm KPMG said that industry has grown at an average annual rate of 5.2 percent since 2000. The study also said that the current projections were for global jewellery sales to grow at 4.6 percent annually to US$185bn in 2010, and US$230bn by 2015.

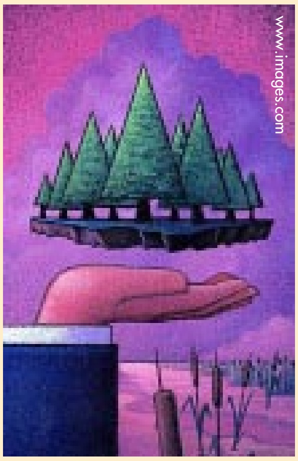
India and China are the emerging centres of jewellery where consumptions have steadily increased their share putting India's share of the global market at 8.3 percent and China's at 8.9 percent in 2005. By 2015, China will emerge as a strong player with a 21.3 percent share of diamond processing. *(DN, 15.12.06)*

EU Pursues Bilateral Trade

Despite the deadlock in trade negotiations, the EU will push for bilateral trade deals to open up trade, as it called to reject protectionism at home to sell abroad. The EU insisted it was still committed to striking a WTO deal and that individual free trade agreements (FTAs) would build on that.

"By strengthening trade rules and tackling other issues such as investment, public procurement and intellectual property rights (IPRs), Europe's policy needs to be clear rejection of protectionism at home and activism in opening markets abroad", said EU Trade Commissioner Peter Mandelson.

He further said that an open market was not just a lowered tariff, but a market in which European companies get a fair deal, with freedom to compete. The aim is to keep European markets competitive and legally protective. *(TS, 10.10.06)*



Pursuing Green Energy

It is better to do something than to do nothing about the world's worst polluting nations. Britain told the world that something has to be done to cut emissions of heat-trapping GHGs which would be vastly cheaper in the long run than doing nothing. British Government scientist and former WB Chief Economist, Nicholas Stern told at a meeting in northern Mexico that it makes economic as well as environmental sense to pursue green energy sources, which is due in the coming days.

Many developing countries want industrialised nations to make deeper cuts on their own factories power plants and cars before asking the former to curbing emissions. Among proposals being mooted by developing governments are burying GHGs like carbon dioxide deep underground and taxing consumers who use too much energy. *(TS, 07.10.06)*

TB on the Resurgence

Public health has raised great concerns in the past and efforts have been employed to address it. One of the issues which have been dealt with is Tuberculosis (TB). Five reports by a US-based policy institute have concluded that active involvement of a better informed civil society is critical for effective control of TB, a disease which has been on the resurgence over the last 20 years.

The reports, released at the 37^{th} World Congress on Lung Health in Paris, in early November 2006, also drew the link between the increase in TB cases and the spread of HIV but pointed out the lack of awareness about TB as one major contributing factor. "People know the signs and symptoms of HIV/AIDS, but that's not the case with TB, even though it's a major killer", he added.

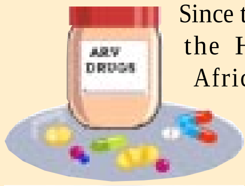
According to the report, stigma and discrimination, resulting from ignorance, often lead to non-adherence to treatment and increased mortality and drug-resistance, which are further compounded by poverty. *(www.allafrica.com, 02.11.06)*

Targeting Gas Emissions

The challenge of gas emissions to sustainable development has been acknowledged, and this has raised fears at the future of humanity. At a summit held in Nairobi, on November 15-17, 2006, former UN Secretary General, Kofi Annan urged the stakeholders to play a major role to achieve the set targets in gas emission. He revealed that six UN agencies have planned to work together to bring more clean development projects to poor countries, especially Africa.

Annan also stressed that other countries that had not signed the Kyoto Protocol, such as US, could still participate in debates in areas where they promise to play a part in reducing emissions. Those who largely account for the problem were challenged to go beyond the provisions of the Kyoto Protocol in order to significantly reduce emission levels. However, the world summit on climate change achieved little results as delegates failed to reach agreements on key issues. *(NT, 16.11.06)*

ARV Eludes Africa



Since the diagnosis of the HIV/AIDS in Africa, a large number of lives and human resources have been lost. And this has contributed significantly to the escalating social dilemma such as street kids, orphans, and household poverty.

Antiretroviral (ARV) drugs which boost the human immune system was discovered most infected and affected. People in Africa do not have access to the drugs, despite the much hailed Doha Declaration having paved the way for poor countries to copy expensive branded drugs. In what was viewed as an effort to improve public health in poor countries, WTO members met in Doha five years ago and unanimously agreed to ensure that IPRs or copyrights no longer act as a hindrance to developing countries' efforts in providing anti-AIDS medication to their people.

An international medical relief group, *Médecins Sans Frontières* (MSF) argues that the decision had not benefited the poor countries as much as expected because it had only granted greater flexibility to developing countries in tackling the AIDS pandemic with regards to first-line drug regimens, and not with second line medications, which remained patented and costly to the poor countries. *(UNIRIN, 16.11.06)*

Alternative Fuel Sources

Jatropha, a non-food crop, which can be grown on semi-arid land, is being heralded by some as a key future source of mortar fuel. However, other sources question its role. At Bio-fuels Finance and Investments World 2006 summit, Dr Vivek Tandon, founder and general partner of Aloe Private Equity said, "When you drive around India and China, all the arable land is being used".

"It is the waste land that has to be used to produce energy crops", said Karl Weinfurtner, head of Agri-business at Germany Development Agency, DEG Invest. He agreed that there is a lot of talk about *Jatropha* but we are still many years away from commercial production. *(FS, 05.12.06)*

US Malaria Initiative

Benin, Ethiopia, Ghana, Kenya, Liberia, Madagascar, Mali and Zambia have been added to the list of African countries to benefit from Bush's US$1.2bn anti-Malaria campaign, which will run for five years. The newly nominated countries announced by Bush on December 14, 2006 join Rwanda, Tanzania, Uganda, Angola, Malawi, Mozambique, and Senegal, which were named earlier. Under the initiative, Rwanda is set to receive US$17mn for its first round of President's Malaria Initiative (PMI) funding.

PMI targets to reduce malaria-related deaths by 50 percent in 15 of Africa's worst hit countries. Key strategies to be adopted in the PMI include indoor residual spraying of households with insecticides; distribution of mosquito nets; treatment of women with anti-malarial drugs and rolling-out new, lifesaving artemsinin-combination therapy to treat malaria patients.

Malaria is Africa's biggest killer, responsible for more than one million deaths a year, with the majority of victims being young children. *(EA, 18.12.06)*

Inception Meeting of 7Up3 Project – Stage-II

A meeting of the 7Up3 project partners and members of the project management unit (comprising CUTS representatives from the Headquarter in India; and Resource Centres in Lusaka and Nairobi) was organised at Nairobi, Kenya, on November 25, 2006.

The objective of meeting was to flag-off Stage-II i.e. Advocacy and Training of the project, while taking note of achievements and non-achievements of Stage-I (Research and Capacity Building). Besides, it aimed to develop a common understanding on Stage-II activities with regard to their focus, purpose and schedule.

L to R (standing): Rehabeam Shilimela, Rijit Sengupta, Kennedy Otieno, Maxton Tsoka, Eldad Girma, David Ong'olo, Mosadeq Sahebdin, Henry Kimera Richard, Reshma Peerun, Alberto Bila, Victor Ogalo.
L to R (sitting): Sajeev Nair, Mauzinho Nicols, Clement Onyango, Barulaganye Mogotsi, Seifu Ali, Temwa Gondwe

Over the course of the discussions, the following outcomes were achieved:

- finalisation of the topics and schedule of the 3rd and 4th rounds of the National Reference Group (NRG) meetings;
- discussions on the format and content of the National Training Workshops (on competition policy and law);
- identifying topics/issues for developing Briefings;
- deciding tentatively on the Regional Training Workshop;
- views on the Final Project Meeting (participation, location, agenda, etc.) to be held in March 2007; and
- consensus on the need to obey the tight activity schedule of the Stage-II.

(For details, please visit: www.cuts-international.org/pdf/ProcedingsInceptionMeeting7.pdf)

Regional Conference of TDP Project

CUTS Africa Resource Centre (CUTS ARC), Lusaka, in collaboration with CUTS Centre for International Trade, Economics & Environment (CUTS CITEE), organised the Regional Conference on "Linkages between Trade, Development and Poverty Reduction" at Nairobi, Kenya, on October 16-17, 2006.

The objectives of the regional Conference were to:

L-R Clement Onyango, David Ong'olo, Bipul Chatterjee, David Nalo, Permanent Secretary, Ministry of Trade and Industry, Kenya

- to provide a discussion forum to deliberate the various trade-related capacity building initiatives in Africa from the point of view of development and poverty reduction;
- to promote the cross fertilisation of experiences and lessons learnt from existing TDP initiatives; and
- to facilitate appropriate civil society policy responses evolving synergistic positions and take forward well-argued viewpoints for pro-poor development and sustainable economic growth.

There were around 50 participants including representatives from the Kenyan Government and NGOs, research institutes and private sector bodies from across ESA. The countries represented in the conference included Kenya, South Africa, Tanzania, Uganda and Zambia.

For details, please visit: www.cuts-citee.org/pdf/Report-TDP-Regional Conference-Nairobi-OCt06.pdf

Liberalisation and Small Scale Farmers in Zambia

CUTS ARC, Lusaka, with the support from Danish Association for International Cooperation (MS-Zambia), organised a lobby and advocacy workshop under the project entitled, 'Trade and Market Linkages for Small Scale Farmers in Zambia' at Mansa, Zambia, on November 20-21, 2006.

In the workshop, small scale farmers and producers urged the Government to revisit the agriculture marketing policy if agriculture is to contribute to economic development. As it has been widely hailed that the policy has significantly contributed to sever poverty in rural areas, this is because a considerable percentage of Zambians living in rural and semi-urban areas and earn their living through agriculture and related activities.

The sector has suffered significant challenges as a result of liberalisation which include: poor pricing mechanisms; inability to access markets; lack of information on market requirement and standards; branding; packaging poor representation of small scale farmers' interests; and low budget allocation to the sector. Participants acknowledge the need for an effective policy which is coherent with efforts to address poverty such as the MDGs.

(For details, please visit: www.cuts-international.org/cuts-arc-events.htm#Trde Market Linkages)

Regional Dialogue on EPA Negotiations

CUTS ARC, Lusaka, hosted a regional workshop on the 'EPA Negotiations and Economic Development in Eastern and Southern Africa', at Lusaka, Zambia, during October 19-21, 2006. The objectives of the regional workshop were to:

- discuss and identify the development component of the EPAs;
- address the issue of coherence with national and regional development plans/strategies;
- asses the framework, content and process issues for reviewing EPA negotiations; and
- provide stakeholder inputs into the existing ESA and SADC-EPA negotiation framework.

Participants included a wide range of stakeholders from civil society, policy makers and private sector from 15 countries in the Southern and Eastern region.

(For details, please visit: www.cuts-international.org/cuts-arc-events.htm#RegionalDialogue-EPA)

Seminars/Workshops

Media Workshop on EPAs

CUTS ARC, Lusaka, in association with OneWorld Africa will host a 'Media Workshop on EPAs', to launch a two year project entitled, 'Capacity Building on Media Coverage on Trade and Development Reporting in Zambia', at Lusaka, Zambia, February 02, 2007.

The workshop would aim at achieving the following objectives:

- to enhance understanding among media practitioners in Zambia on EPA;
- to promote progressive dialogue among stakeholders in Zambia on EPA; and
- to provide for a well informed citizenly on EPAs.

(For details please visit: www.cuts-international.org/cuts-arc FE.htm#08Feb2007)

Helping Civil Society Orgnisions (CSOs) to Influence the EPA Negotiations

CUTS ARC, Lusaka, in collaboration with Overseas Development Institute (ODI), Jubilee Zambia, Civil Society Trade Network of Zambia (CSTNZ) and Participatory Ecological Land Use Management (PELUM), will hold a workshop entitled: 'Helping CSOs to Influence the EPA Negotiations' at Lusaka, Zambia, on February 09-10, 2007.

The workshop is being held with the objective to help national CSOs to develop a plan of informed action to influence the EPA negotiations in their countries in a way that enhances pro-poor growth and reduces the danger of poverty creating change and to determine the cost of not agreeing an EPA.

(For details please visit: www.cuts-international.org/cuts-arc FE.htm#06jan2007)

PUBLICATIONS

Institutional Independence in India

In India, several institutions have been mandated with institutional independence. Most of such institutions were established to perform the challenging task of maintaining a judicious balance between conflicting interests and overhauling the governance system, by enforcing accountability. The state has not been so successful in ensuring a right balance between these two.

In this discussion paper, a comprehensive analysis of institutional independence in India is carried out, which would help facilitate cross-disciplinary learning and identification of good and bad practices. Further, the functioning of various independent institutions – Tier one and Tier two – have been examined in detail.

The paper suggests that institutional independence should not be mistaken as an objective in itself; it should rather be seen as an important requisite for achieving desired effectiveness, economy, and efficiency in the system.

Discussion Paper
Suggested Contribution: Rs 100/US$25

Environmental Standards in Food Processing Industry: *Impact on South Asian Exports*

The Food Processing Industry (FPI) is one of the prime industries in India in terms of production, consumption, export and growth prospects. The sector is critical to India's development, for it establishes a vital linkage and synergy between the two pillars of the economy – Industry and Agriculture.

Meeting environmental and health safety standards demands acquisition of technology, heavy investment, training of personnel, and better management from the level of procurement of raw materials to packaging and selling. Thus, when compared to the developed countries, the overall preparedness of developing countries, particularly South Asian countries is low and inadequate.

However, while formulating such standards care should be taken to ensure that the conditions prevalent in both developed as well the developing countries are given their due importance. This briefing paper analyses the impact of environmental and health standards on the exports of developing countries.

This Briefing paper can be viewed at: http://www.cuts-citee.org/pdf/BP06-DI-5.pdf

Sources

AP: Angola Press Agency; AI: *Agencia de Informacao de Mocambique*; BR: Business Report; COMESA: Common Market for Eastern and Southern Africa; DN: Daily News; DT: Daily Trust; EA: The East African; ET: The Economic Times; FS: Financial Standard; FT: Financial Times; KT: Kenyan Times; NT: The New Times; NV: New Vision; RT: Reuters; TD: This Day Lagos; TH: The Hindu; TS: The Standard; UNIRIN: The United Nations Integrated Regional Information Network; UNWTO: United Nations World Tourism Organisation; ZDM: Zambia Daily Mail.

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