Tradequity
A Newsletter of CUTS Africa
Year 7, No. 2/2008

UNCTAD XII – April 2008, Accra
Search for a Policy Spare

Introduction
The United Nations Conference on Trade and Development (UNCTAD) XII, held in April did not only attract government delegations but also drew participation of the civil society organisations (CSOs). The CSOs presented a joint statement to the Secretary General of the UNCTAD, Supachai Panitchpakdi in which they identified free trade agreements (FTAs) as the major attributes to the erosion of policy space.

The CSOs stated that the current World Trade Organisation (WTO) Doha Round of negotiations have produced imbalanced outcomes, with the developed countries being able to escape the commitments, while the developing countries continue to bear the consequences of further reduction in industrial and agriculture tariffs. The CSOs figured out the current world food and financial crisis and called for immediate international action. They also proposed certain actions that would strengthen the UNCTAD. Below are some of the highlights of the statement.

Policy Space
It is UNCTAD's achievement to ensure that policy space prevails over in developing countries; however, in the recent years, government intervention and regulation have been declined. The CSOs noted that this has been made worse due to bilateral FTAs, besides the loan conditionalities and the WTO rules. These processes lock in developing countries into inappropriate liberalisation of imported goods and services and Intellectual Property Rights (IPRs) policies. The CSOs felt that the erosion of policy space remains to be addressed and called on the UNCTAD XII to deal even more forcefully with the issue.

Trade and Development
For developing countries to reap the benefits of trade in future, the CSOs called UNCTAD to discuss trade and development issue and strengthen UNCTAD secretariat to carry out independent research and assess the WTO and FTAs. The CSOs noted that although some developing countries have gained from trade liberalisation, the majority of them have suffered from premature import liberalisation. Local industries and agriculture have remained underdeveloped, with loss of farm livelihoods and industrial jobs. This has been due to wrong policies of the World Bank, and the International Monetary Fund (IMF).

With reference to WTO, CSOs stated that the Doha negotiations have produced imbalances, such as continuation of subsidies and trade distortion of shifting boxes by developed countries. Yet, developing countries are pressurised to cut their agricultural tariffs further by an average of 36 percent, making them even more vulnerable to import surges and rural dislocation. The CSOs denounced the Swiss Formula, as it will drastically lower the tariffs of industrial goods in developing countries.

Strengthening UNCTAD
In order to make the UNCTAD more effective, as it has a very important role, the CSOs felt that it should be strengthened in the following areas:

- The Commission of UNCTAD should continue to function and a new Commission on Globalisation and Development Strategies should be established by UNCTAD XII.
- UNCTAD should be given an expanded mandate on policy space, concept and its application.
- UNCTAD should, include food crisis, finance and development, climate change, migration, trade agreements, South-South cooperation, etc.
- UNCTAD's technical assistance should not be donor-driven, but driven by the needs of recipients, including the civil society. It should, not be limited to implementing the WTO rule but also creatively explore alternative in a fast changing world.
- UNCTAD secretariat should be allowed to continue its research in an independent manner to produce objective research, aimed at supporting the developmental goals of developing countries.

Conclusion
Within its mandate, UNCTAD should make a contribution to the implementation and follow-up to the developments in trade agreements. It should contribute to the achievement of internationally agreed development goals, including response to the financial and food crisis. In all aspects of its work, it should also contribute to furthering the implementation of the internationally agreed goals in the Doha Ministerial Declaration and other relevant decisions.

IN THIS ISSUE

25 years 1983 2008 CUTS International
CUTS Africa
Email: lusaka@cuts.org (Lusaka)
Email: nairobi@cuts.org (Nairobi)
Website: www.cuts-international.org

G-8 to Double 'Aid to Africa'

The G-8 rich nations vowed to step up cooperation with emerging donors, such as China and India and said they remained committed to a goal to double their own aid to Africa by 2010.

The G-8 nations hoped to see more transparency in aid policies by new donors along with efforts to encourage good governance, sustainability of aid and consideration for democratisation.

China has made major diplomatic and economic inroads in mostly resource-rich nations in Africa and Latin America by giving aid without imposing any conditions. This strategy is in contrasts with that of the US, the European Union (EU) and Japan, which usually use aid as leverage to improve human rights and implement other reforms in recipient nations.

A report published by the Organisation for Economic Cooperation and Development (OECD) showed that aid to developing countries fell in 2007 and most donors are falling behind on their pledges to boost assistance. *(AFP, 07.04.08)*

Food Crisis Threatens Democracy

Africa is the world's poorest region. It is no surprise, that the effects of the current food crisis have been most acute in the continent. The widespread occurrence of rioting underlines the extreme urgency of food crisis and potential it has to destabilise African democracies.

External economic factors are not the only causes of crisis. In order to identify and provide long-term solutions, the underlying causes of hunger and poverty must be better understood. Climate change is having a significant impact on fragile soils and traditional farming systems.

The only real long-term solution to the problem of chronic food deficits and hunger is the development of programmes to promote food security, adequate nutrition, improved incomes for farmers and urban dwellers, and overall economic development.

(www.allafrica.com, 28.05.08)

Sugar Industry Reform

Sugar industry players want the Government to extend its efforts in reforming the industry to sugar importation. The Chairman of Sugar Campaign for Change lobby group, Peter Kegode said that some individuals who were holding import licences lacked the capacity to carry out activity, making them vulnerable to use the licences fraudulently.

He proposed the creation of a Government agency to carry out sugar imports instead of relying on individuals. This would benefit farmers and the Government besides having positive influences on the industry.

The domestic sugar market has a shortfall and the Government should look at the supplies with a view to increase production. The constraints that prevent the country from meeting its sugar potential need to be addressed.

(TN, 19.05.08)

Farmer Information Service

Kenya has launched a farmer's information service where by the country's farming community will now be able to receive and exchange timely news and information on agriculture, weather patterns and other related issues through their mobile phones.

The pilot project was launched in Kiambu, Nairobi by the country's Assistant Minister for Agriculture Japeth Mbiuki Anna Brandt, who announced that the Government will extend a Kenyan Shilling 3.5bn (US$52.9mn) grant to the east African country as development assistance.

The funds will be channelled to the roads, health, water and sanitation, agriculture and urban development sectors while some will go to aid democracy and human rights' initiatives.

Brandt described the launching of National Farmers Information Service as a "milestone" adding that it will enable farmers and other interested parties to receive timely agriculture information through their mobile phones.

(Afriquenligne,13.05.08)

Doubt Over Halving Poverty

The IMF has cast doubts on the possibility of halving poverty in Africa by 2015. Sub-Saharan Africa (SSA) remains the world's poorest region, and average living standards lag far behind than those in the rest of the world.

Uganda is among those countries that may not be successful in reducing poverty by half though it remains a star performer in economic reforms. The country's economic growth is projected to grow at about 7 percent in the 2008-09, but poverty levels are still high at 31 percent, gross national income (GNI) per capita is about US$350.

The IMF points out that while economic growth in the African continent remains high at 6.5 percent in 2008, the main medium-term challenge for SSA is to accelerate growth and achieve the Millennium Development Goals (MDGs). *(DN, 16.04.08)*

Need to Increase Investment

Japanese Prime Minister Yasuo Fukuda has stressed on the need to increase international investment in Africa with the primary aim of ensuring peace and security in the impoverished continent. He also promised to increase Japan's cooperation with Africa.

He said that Japan would improve corporation with Africa in the expansion of its infrastructure development. The Japanese leader pledged a future support of US$4bn for the improvement of the infrastructure sector in Africa.

He also noted that Japan would provide professional assistance to help enhance irrigation schemes in Africa to sustain the continent's agriculture sector. The Prime Minister added that measures Japan had taken to stabilise the hike in global prices of food would ensure that the entire African continent benefited tremendously. *(AN, 29.05.08)*

COMESA to Review ICT

The EU has given the Common Market for Eastern and Southern Africa (COMESA) US$31mn for an Information and Communication Technology (ICT) regulatory and policy harmonisation programme in the region. The aid is aimed at removing constraints to ICT usage among COMESA member states in order to promote regional integration.

The programme will run over 20 years due to ongoing negotiations with Government officials in the region. The programme will, on completion, level the playing field and end monopolies by Government-owned telecommunications.

The ICT policy harmonisation programme will also enable COMESA members to establish IT courts which will have the power to settle matters concerning communication disputes and arbitrate among service providers in the telecom sector. *(TIS, 23.06.08)*

Root for a Common Policy

The COMESA trade ministers are rooting for a crash programme to harmonise intra-regional policies before the December 2008 deadline of signing a joint Customs Union (CU). They said that urgent measures were required to ensure a common policy position among member nations in conformity with requirements of a CU.

A CU is an area where nations have formed a common trade policy and tariff arrangement with the purpose of increasing economic activity and cementing socio-economic and political ties among themselves.

Among key issues to be fast tracked by CU will be the submission of national tariff schedules by all the 19 members of the market bloc, with the agreed Common External Tariff (CET) and Common External Nomenclature (CTN), transitional periods towards alignment. *(BD, 18.05.08)*

Alliances for Innovative Institution

The ESA countries are to build regional cross-border alliances to strengthen innovative market institutions and link food insecure smallholder farmers with national and regional markets for staple foods.

The project, called Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), will capitalise on the Comprehensive Africa Agriculture Development Programme (CAADP) to make market institutions more vibrant for smallholders and traders.

The main goal of CAADP is to help African countries achieve higher economic growth through agriculture-led development. *(EA, 12.05.08)*

Benefit from Commodity Boom

According to South African President Thabo Mbeki, evidence suggests that the current opportunity for Africa to benefit from the commodity boom will be frittered away. He said that everyone had observed the recent exciting growth trend in Africa.

"For some, this may appear to be the result of the passing impact of a commodity boom. But I am certain that those of us who have looked more closely at the development of Africa would have seen that there is evidence that the current opportunities to benefit from a commodity boom will not be frittered away as they were before, at least not by all countries", he said this during the opening of the Annual Bank Conference on Development Economics. *(www.tralac.org, 09.06.08)*

Extraordinary Council

The Second Extraordinary Meeting of the COMESA Council of Ministers took place in Nairobi, on May 15, 2008, under the chairmanship of Honorable Uhuru Kenyatta, the Deputy Minister and Minister of Trade of Kenya and Chairman of the COMESA Council of Ministers.

The Extraordinary Council was attended by Burundi, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

The Extraordinary Council considered reports on the preparation for the launch of CU, progress on the operations of the COMESA Fund, negotiations on multilateral issues and administrative matters. *(www.acp-eu-trade.org, 19.06.08*

EC Reiterates Support

The European Commission (EC) has reiterated the strong support they have provided to the COMESA fund under the Adjustment Facility component, where they have pumped in US$122.4mn. This agreement was signed in November, 2007.

The COMESA Fund consultative meeting, held on May 05, 2008 in Mauritius, drew the attention to the fact that so far, only four COMESA member states have contributed financially to the COMESA fund, meaning these are the only ones that can benefit from it.

The main purpose of the meeting was to brainstorm on how to adopt the proposed model of CIF and Adjustment Facility in order to meet the requirements of co-operating partners and private sector investors. *(COMESA Newsletter, 16.05.08)*

Economic Reform to Fetch Investment

Continued economic reform in the Southern African Customs Union (SACU) would attract the foreign investment that the five member countries are seeking. Following its trade policy review of SACU, the WTO also urged Botswana, Lesotho, Namibia, South Africa and Swaziland to simplify SACU's tariff structure.


www.images.com

Some WTO members said SACU's trade regime remained complex because the tariff structure still comprised *ad valorem*, specific, mixed, compound and formula duties. The SACU was also criticised for its lack of common policies for certain non-tariff measures.

However, the new SACU Agreement was lauded as making up for this lack of harmonisation. It is expected that the new Agreement will help the SACU countries to foster their integration into the world economy. *(BD & WTO, 04.06.08)*

Efficiency in Regional Trade

President Paul Kagame of Rwanda has repeated his call for more efficient regional blocks as an effective measure for Africa to increase domestic investment and spur economic growth and development in the continent.

Kagame emphasised that only investment and efficiency of regional integration will ensure Africa's escape from poverty. He said that the absence of regional economic infrastructure is a major hindrance to Africa's growth and socio-economic transformation.

He further said that the delay in carrying out commercial transactions was not only due to poor infrastructure in SSA region alone, but also the result of regional bureaucratic obstacles, such as cumbersome trans-border customs procedures, clearing, cargo inspections and corruption, etc. *(NT, 05.06.08)*

Trade to Gain Despite Ban

Trade in agricultural commodities is expected to thrive as harvesting begins despite export bans imposed by various ESA countries. According to the Eastern Africa Grain Council (EAGC), Tanzania, Malawi, Zambia and Ethiopia have imposed export bans on agricultural commodities but intra-regional trade in cereals will flourish as borders are porous.

EAGC Communications Manager, Bridget Okumu said that some countries have banned exports but cross border trading will continue at higher transaction costs as harvesting of crops starts in the region.

Kenya is likely to face maize shortage in the third quarter of 2008 but the country expects to get supplies from Tanzania and Uganda as soon as harvesting starts. The Government approved importation of 270,000 metric tonnes of duty-free maize to take care of the expected shortfalls. *(DN, 03.06.08)*

Partnership or Power Play?

The original aim of the trade talks between the African, Caribbean and Pacific (ACP) countries and the EU was a good one: concluding 'Economic Partnership Agreements' (EPAs) would promote poverty reduction, sustainable development and the gradual integration of ACP countries into the world economy.

Oxfam has analysed from a development perspective the goods, services, investment, and intellectual property chapters of the 'initialled' EPA deals concluded at the end of 2007.

To date, EPAs have only been initialled: they are not legally binding agreements. Before any damaging deal is made permanent, Europe needs to rethink and agree to change course. New, fairer agreements are not only necessary but also possible. *(TNI, May 2008)*

Import to Avert Shortage

As food crisis continues to hit most countries, Kenya is set to import one million bags of maize from Zambia to boost its stock and avert a looming shortage. The National Cereals and Produce Board (NCPB) of Kenya has a deficit of one million bags of maize in strategic reserves – not enough to meet local consumption needs.

Estimates show that Kenya needs to import up to three million bags of maize, to avert a food shortage crisis. The Kenyan Government invited tenders for the purchase of 270,000 tonnes of duty-free maize from the COMESA.

According to the World Food Programme (WFP), households have cut back consumption due to a 50 percent rise in food prices in 2008. *(BD, 29.06.08)*

Trading Carbon Credits

An initiative to improve the health, wealth and environment of Malawians is being driven by a proposal to trade in carbon credits.

The concept is to trade carbon credits earned by curbing the effects of climate change through mechanisms established under the 1997 Kyoto Protocol, to cover the cost of improving the lives and health of vulnerable communities in the world's poorest continent.

According to a 2003 report by Malawi's National Energy Plan, the landlocked country, with a population of about 12 million, derives 93 percent of its energy needs from wood.

(UNIRIN, 29.05.08)

Easing Cross-Border Trade

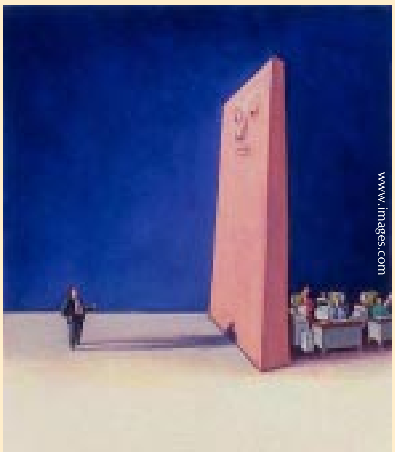
The Government of Rwanda plans to ease the conduct of cross border business. According to Frank Twagira, Coordinator, Doing Business Reforms in Rwanda, the country's cross border trade rankings may improve to two digits.

Through its trade logistics advisory programme, the International Finance Corporation (IFC) is helping the Government of Rwanda to reform. To speed up the importation process, members of the Trade Working Group agreed that traders start assessing (tax and duties), themselves, declare goods and pay charges prior to arrival.

Another reform suggested that Rwanda Revenue Authority starts preferential treatment to tax complaint traders. Different stakeholders, including the National Bank of Rwanda and Rwanda Bureau of Standards have agreed to streamline procedures of doing business.

(www.allafrica.com, 28.05.08)

NTBs Hinder Trade



Kenya and other EAC countries have stepped-up an audit on possible non-tariff barriers (NTBs) to regional trade as they hope to beat the December 2008 deadline of signing a common market protocol.

The Ministry of EAC Permanent Secretary, David Nalo said that though member countries had resolved to have a seamless economy, numerous NTBs, such as standardisation posed bottlenecks to speedy integration.

He said that despite national mechanisms having been set up to eliminate such barriers in the region, lack of a common inventory still draws back integration efforts.

He, however, remained optimistic that the ongoing survey jointly with the World Bank would help streamline the process. The findings of this survey will soon be presented to experts of the partner states for consideration. *(BD, 12.05.08)*

India-Africa Engagement

India will unveil a "blueprint" for its intensifying engagement with Africa, a symbolic step that reflects India's anxiety over China's growing influence on the continent and its desire to pursue close economic and commercial ties forged by Beijing in recent years.

Declaring India's intent to become "a close partner in Africa's resurgence", Manmohan Singh, the Indian Prime Minister called for a "new architecture" in relations. A step towards this will come with the signature of an "Africa-India Framework for Co-operation" and a "Delhi Declaration", he said.

He also promised to boost India's aid budget to Africa, pledging grants of US$500m for projects over the next five to six years. *(FT, 08.04.08)*

Kenya to Lose in WTO

Kenya will lose its preferential treatment in non-agricultural market access (NAMA) in the ongoing WTO negotiations. The Institute of Economic Affairs (IEA) says that a reduction in the tariff advantage means that the country's export competitiveness will be reduced by making its competitors' exports less expensive.

The objective of the NAMA is to reduce, or eliminate, high tariffs, tariff peaks and tariff escalations, as well to reduce or eliminate NTBs, using the agreed Swiss Formula.

The tariff cuts would deepen the crisis of de-industrialisation and accentuate unemployment and poverty. The country can also choose to increase and diversify its export base to take advantage of the opportunities from developing and developed countries' markets. *(TEA, 12.05.08)*

Call for Adoption of CET

The governments of English-speaking West African countries should treat the adoption of a CET as a matter of urgency, according to Ibrahim Akalbila, National Coordinator of the Ghana Trade and Livelihoods Coalition (GTLC).

The CET is a mild form of economic union that may lead to further types of economic integration.

Akalbila emphasised that governments of the sub-region must adopt and use the CET as a means to safeguard the regional market from the influx of cheap and subsidised imports from the developed countries. *(GNA, 24.06.08)*

Ban on Fuel to Neighbours

The Botswana Government has banned the export of bulk fuel to the neighbouring country. Due to ban and with scanty parallel market supplies running dry, transport is grinding to a halt across Zimbabwe.

Industry in Zimbabwe is estimated to have shrunk by more than 60 percent since 2000. The state-owned National Oil Company of Zimbabwe (NOCZIM) has had its problems compounded by foreign currency shortages and rocketing inflation, leaving it unable to meet local demand since 2000.

Since 2000 Zimbabwe has been forced to rely heavily on the entrepreneurial spirit of cross-border traders and their parallel imports from bordering countries like Botswana. This illegal but thriving parallel market has been the only source of fuel for most Zimbabweans. *(IRIN, 08.05.08)*

An FTA for Africa

According to the Food and Agricultural Organisation (FAO), Africa must speed up regional integration efforts in order to stop the decline in returns from trade in agricultural produce and a deepening of the food security crisis on the continent.

In order to increase competitiveness in the market, the FAO proposes the creation of a Free Trade Area (FTA) for Africa that will facilitate a seamless flow of strategic commodities across national borders while at the same time maintaining high profit margins.

Although efforts to push for an FTA are positive, FAO experts have warned that there is a need for caution especially when it comes to establishing a CET by regional economic communities (RECs). *(BD, 18.06.08)*

Harmonised Export Standards

"The EAC should harmonise standards of their exports", said Janat Mukwaya, Tourism, Trade and Industry Minister of Uganda. She also said the EAC should also adopt standards set by the international markets.

While opening a trade capacity-building seminar for policy makers in Kampala, she urged the five states of EAC to copy their counterparts who have broken through the food markets of developed countries.

"The best strategy for East Africa is to learn from the experiences of these successful exporters, while making full use of available international assistance", she said. *(NV, 02.06.08)*

Food Prices Affect Talks

"Rising food prices and the use of export restriction to secure national stocks of rice, wheat and other staples have cast the WTO talks in a new light, raising questions about their scope", said Anne-Marie Idrac, France's Junior Trade Minister.

She said the economic conditions have shifted radically since global free trade talks began in 2001. From a point of view of the social and economic reality, this was a new and different context, which raises all sorts of new questions.

Surging commodity prices have spurred countries including Brazil, Indonesia, Vietnam, India, Egypt, Cambodia, Pakistan, Russia, Argentina and Malawi to impose curbs on food exports in order to ensure that their domestic supplies remain plentiful. *(Reuters India, 25.04.08)*

Foreign Banks Eye Zambia

Zambia has not remained behind in the process of economic liberalisation. Having opened up its economy with various trade agreements, Zambia has experienced an increase in trade – both in goods as well as services.

There has also been an increase in those investing in the service sector, such as banking. Some international banks from Nigeria, South Africa and Cameroon are among the financial institutions that have expressed interest in setting up operations in Zambia.

This has come when the Bank of Zambia has increased the minimum primary paid-up capital for new banks from the previous Zambian Kwacha 2 billion (US$645,162) to Zambian Kwacha 12 billion (US$3.9mn). *(ToZ, 26.04.08)*

Threat to Water Security

Mauritians get their water supply from five big reservoirs on the island and five underground aquifers that have already reached their exploitation limit. Vast amounts of water are wasted as a result of aged and leaking distribution pipes. Mauritius suffers from a rapid evacuation and evaporation of water because of the topography of the Island.

Public Utilities Minister Abu Kasenally told that the threat to water security in Mauritius does not spring solely from the evident deficiencies in the water distribution system. Climate change is also affecting, as rainfall have started decreasing in the region.

Despite warnings that the Island may suffer water scarcity by 2020, Mauritians show little consciousness of a need to conserve water. Numerous awareness-raising programmes by Government have made little impact. *(IPS, 16.07.08)*

Rising Cases of Cholera

An outbreak of cholera has been confirmed in the Kisumu municipality in the western region of Kenya. Shahnaaz Sharif, the Senior Deputy Director of Medical Services in Kenya's Health Ministry said that 34 people had been admitted to the Kisumu district hospital, with a total of 134 cases reported since the outbreak began in June 2008.

Contaminated wells located in close proximity to latrines have been fenced off and the remaining functional wells chlorinated. Other measures included banning the hawking of food in the area and the inspection of food handlers.

Cholera is an acute intestinal infection caused by ingestion of food or water contaminated with the bacterium Vibrio cholerae. Symptoms include watery diarrhoea that can quickly lead to severe dehydration and death if treatment is not promptly given. *(IRIN, 25.06.08)*

Conservation Farming Urged

Farmers in the SADC have been urged to adopt conservation farming methods, to mitigate the impact of climate change. The climatic fluctuation over the past years has been extreme, causing droughts and excessive rains with periodic floods.

There is need to reduce the effect of the fluctuations in the rainfall pattern and recurrent droughts by adopting effective strategies. The potential benefits of improved water and rainfall-harvesting practices in the region were the key to economic development.

Conservation farming was one of strategies that would ensure food security. Food insecurity in the SADC region was real and this was being aggravated by poor land and water management practices, despite scientists having mitigating solutions. *(ZDM, 28.05.08)*

Praise for Small Claims Court

The Zambia Consumer Association (ZACA) has asked the Government for establishing the small claims court because it would go a long way in effecting the protection of consumer rights of those who have been denied redress from the courts.

The claims court is more of a consumer court and an important institution which will change the attitude of manufacturers in the production of various goods. The claims court would deal with claims ranging from Zambian Kwacha 400, 000 (US$115) to Zambian Kwacha 2 million (US$572) and the litigants would not need to have legal representation, which would be an improvement because many people would be afforded the chance to seek redress. *(ZDM, 11.05.08)*

Polythene Bags Ban Suspended

The Ministry of Local Government has directed Nairobi City Council to suspend the planned implementation of the Polythene Carrier Bags Ban By-Laws by June 01, 2008.

The Ministry says the move will pave the way for comprehensive consultations between the council, stakeholders and the Ministry. The Nairobi City Council announced plans to enforce the Polythene Carrier Bag By-laws, which prohibit the use of polythene carrier bags with a thickness of less than 30 microns.

The Council said the by-laws were aimed at mitigating a myriad of environmental problems associated with poor disposal of plastics within Nairobi City and its environs. *(KBC, 18.05.08)*

MoU on Environment

The Ministers of Urbanisation and Environment of Angola and the Co-ordination of Environmental Action of Mozambique signed a memorandum of understanding (MoU) for environmental protection and urban arrangement.

The three-year renewable deadline, the memo defines as co-operation programmes, the assessment and control of the quality of air, biodiversity, climate change, coastal erosion and territory arrangement and urban development.

On the one hand, the signing ceremony is part of the principle continuous concert and co-operation between both states, and on the other hand, in the policy of implementing the co-operation platform of the Community of Portuguese Language Countries (CPLP). *(APA, 23.06.08)*

Kenya to Combat Fake Drugs

Outraged by the findings of a recent survey that 30 percent of the country's imported medicines were fake, Kenyan authorities did not waste time to deploy secret service agents on the streets to remedy the situation.

Kenya's National Quality Control Laboratories and the Pharmacy and Poisons Board found that some imported drugs were counterfeit and contain chalk or water. Kenya's Medical Services Minister, Anyang Nyongo revealed that the fight against counterfeit drugs will be similar to the one employed on combating drugs smuggling.

Kenyan officials were worried over the importation of fake medicines, especially malaria drugs, considering its high death toll of children under five years.

(AN, 30.05.08)

Partnering with UNCTAD

On the occasion of quadrennial meeting of the UNCTAD XII in Accra, Ghana, CUTS International organised three events entitled, 'Trade-Development-Poverty Linkages', 'Aid for Trade-Questions and Challenges', and 'Beyond Rhetoric-Ensuring that EPA's Delivers', on April 18-19, 2008 respectively.

The main objective of the events were to place a set of key messages on trade-development-poverty linkages to the trade community at large; help identify the critical challenges facing developing countries and the trade and development community as a whole in effectively implementing the 'Aid for Trade' (AfT) agenda and to develop recommendations for the way forward; and discuss the development perspective of the EPA negotiations between African, Caribbean and the Pacific countries and the EU.

The book entitled, 'Trade-Development-Poverty Linkages – Reflections from Selected Asian and Sub-Saharan African Countries Volume I – Country Case Studies', was also launched on the occasion by the Chairperson of the Zambian Parliamentary Committee on Economic and Labour Affairs Honourable Given Lubinda, Member of Parliament. He challenged international CSOs to establish linkages with the legislatures in order to enhance effective policy formulation. He implored CUTS to ensure that the book was disseminated to relevant stakeholders such as parliamentarians, who have the mandate to ratify trade agreements.

Atul Kaushik, Adviser (Projects), CUTS International said that CUTS recognises the role that CSOs can play in shaping the global environment for pro-poor trade and development policies and was committed to building their capacity to play that role. He noted that it was *inter alia* due to that commitment CUTS implemented the project with the aim of drawing lessons that could be used by CSOs and other relevant stakeholders to lobby their trade negotiators and policy-makers and the executive to ensure that trade liberalisation is pro-poor and pro-development.

For more please visit: *www.cuts-citee.org/events-archiveapr08.htm*

EPAs and Regional Integration Workshop

The Eastern and Southern Africa (ESA) Small-Scale Farmers Forum organised a three-day workshop in Lusaka, Zambia on June 03-05, 2008. The workshop was to share information on EPAs and Regional Integration implications on small-scale farmer' market access and to later formulate advocacy strategies.

CUTS ARC, Lusaka participated and made two presentations at the workshop: 'EU's Position on Development' by Angela Mulenga; and 'Market Challenges and Opportunities Locally and Regionally' by Patrick Chengo. The workshop attracted participants from the ESA region with the majority coming of the small-scale farmers organisations.

TDP Workshop for Small Farmers

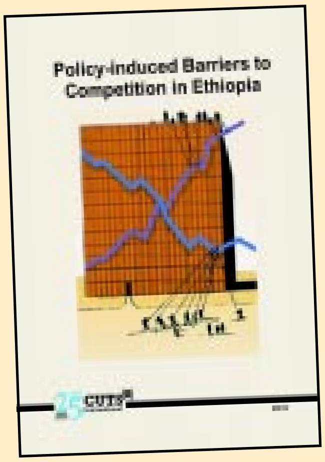
CUTS ARC, and Organisation Development and Community Management Trust (ODCMT), Lusaka organised a one-day TDP workshop for small farmers in Chibombo district, Central Province of Zambia, on June 25, 2008. The event was a continuation of CUTS' project, 'Linkages between Trade, Development and Poverty Reduction' (TDP), which has been running since 2006.

About 25 participants from various farmer groups, non-governmental civil society groups, representatives from the Ministry of Agriculture and co-operatives and the media took part. The Advocacy Document entitled, 'Strengthening the Linkages between Trade, Development and Poverty Reduction' and the TDP Campaign Toolkit for Zambia were presented at the workshop.

Angela Mulenga of CUTS ARC, Lusaka pointed out the role that small-scale farmers can play in shaping the trade and development policies, so that wealth is created among the rural communities. She further stated that CUTS and ODCMT were committed to build the capacity of small farmers, so that they are able to play a significant role. The farmers also thanked CUTS and ODCMT for their commitment to ensuring that trade was pro-poor.

PUBLICATION

Policy-induced Barriers to Competition in Ethiopia



Competition is a force that creates initiatives for increasing productivity in the economy and ensures the satisfaction of consumer wants and needs. The virtue of competition as one of the important driving forces bringing about economic growth is now well acknowledged.

This Monograph attempts to portray the competition regime in Ethiopia. It shows that irrespective of a decade and a half of market reform measures, economic restructuring still remains partial in the country. Specifically, the paper shows that many important regulatory provisions, including the competition law are deliberately designed such that it could be easily manipulated. This has created a distorted competition environment in the country.

The Monograph focuses on the evolution of economic policy in Ethiopia. It analyses the current barriers to competition in the country. In addition, it examines the role of civil society in carrying forward the advocacy on competition.

This Monograph can be accessed at:
http://www.cuts-ccier.org/7up3/pdf/Monograph01-2008.pdf

Services Trade and Domestic Regulation in Kenya

Services have been the most important sector in Kenya's post-independence economy in terms of employment creation, contribution to gross domestic product (GDP), foreign exchange earnings, foreign direct investment (FDI), productivity growth, regional development, competitiveness and poverty alleviation.

As a member of World Trade Organisation (WTO), Kenya has largely met its obligation, as specific commitments were made in telecommunications, financial services, tourism and travel-related services and transport services. Further liberalisation in a number of sectors has already taken place beyond what was committed in the previous round of General Agreement on Trade in Services (GATS) negotiations. In spite of these reforms, the government is still grappling with enforcement problems in a number of sectors that emanate from corporate governance issues within the regulatory agencies.

This Briefing Paper explains the evolution of services trade and domestic regulation in Kenya. It discusses the Kenya Vision 2030 that recognises the role of services especially information communication technology (ICT), financial services, education, health, water, environmental services, construction and research, etc.

This Briefing Paper can be accessed at:
http://www.cuts-citee.org/pdf/BP08-WTO-2.pdf

FORTHCOMING EVENT

Joint Africa Trade Strategy Paper Project

CUTS ARC, Nairobi, in conjunction with Friedrich Ebert Stiftung (FES), Kenya will be holding a regional conference on Africa Trade Strategy project in Nairobi, Kenya, on July 24-26, 2008.

The overall objective of the conference is to discuss and provide suggestions for the establishment of a joint African Trade Strategy that can further Africa's internal integration and beneficial interaction with the rest of the world. The conference is visualised to draw participants from different Africa's trade regional blocks.

Sources

AFP: Agence France Presse; APA: Angola Press Agency; AN: Afrol News; BD: Business Day; DN: The Daily Nation; EA: East African; FT: The Financial Times; GNA: Ghana News Agency; IPS: Inter Press Service; IRIN: Integrated Regional Information Network; KBC: Kenya Broadcasting Corporation; NV New Vision; TEA: The East African; TIS: The Industry Standard; TN: The Nation; TNI: Trade Negotiation Insights; ToZ: Times of Zambia; UNIRIN: United Nations Interacted Regional Information Network; WTO: World Trade Organisation; ZDM: Zambia Daily Mail

Tradequity newsletter: Published and composed by CUTS Africa Resource Centre, 4th Floor, Main Post Office Building, P.O. Box 37113, Cairo Road, Lusaka, Zambia, Ph: +260.1.22 4992, Fx: +260.1.22 5220, E-mail: lusaka@cuts.org, and Nairobi Resource Centre, Co-op Trust Plaza, 1st Floor, Lower Hill/Bunyala Road, Upper Hill, P.O. Box 8188-00200, Nairobi, Kenya, Ph: +254.20.273 4925/273 4926, Fx: +254.20.273 4925 Email: nairobi@cuts.org. **Head office:** D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India, Ph: 91.141.228 2821, Fx: 91.141.228 2485, E-mail: cuts@cuts.org, Web Site: www.cuts-international.org

CUTS International