

Tradequity

A Newsletter of CUTS Africa

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The Global Financial Crisis and African Trade Prospects

Introduction

Around the world, businesses, nations and individuals are feeling the effect of the global economic downturn. Forecasts show a shrinking global economy raising concerns everywhere. The US and European countries are hard pressed for solutions to this situation which has caused heightened unemployment, slumping productivity and reduced prosperity within their economies.

As a result of the crisis, these western powers are placing strategic economic stimulation packages to boost their economies. The question then arises; does Africa still fit in the trade and development aid agendas of these now struggling nations? Will these countries be able to fulfill the promises already made to help revitalise African trade performance and economic development? Will signing any more trade agreements between Africa and the west under the current situation prove useful for Africa?

The market is no longer the panacea to all economic problems; in fact the outcomes of an unbridled market leading to market failure have become evident. Already, an estimated US\$578bn in trade exports is to be lost by Africa over the next two years (Vanguard 24.03.09) with US\$251bn to be lost in 2009 and US\$277bn to be lost in 2010.

Even though Africa is lagging behind in its attempts to ascend to more significant levels in the multi-lateral trading system, it had still made some progress in laying foundations for trade enhancement and economic development through

initiatives, such as the Millennium Development Goals (MDGs) and until recently it had good prospects for growth.

Lessons for Africa

It is of great importance that the global financial crisis provides lasting lessons for Africa. If Africa remains passive during this period it is sure to regress to further levels of trade insecurity, underdevelopment and poverty. Africa must first learn from this crisis that market failure is possibly more costly than government failure. Market requires regulation in order to function sustainably and ultimately for greater public welfare.

The invisible hands of the free market system can cause serious damage to economies and livelihoods. But the continent should not overreact to the global situation, instead work towards developing a new Afro-centric approach to development.

This means a realisation that the state must play a key role in facilitating development through trade in a healthy and sustainable manner. This will stimulate local investment which ought to be fostered at least as much as foreign investment.

Africa must also be careful not to accept sweeping trade liberalisation on an uneven playing field. The continent must keep its eyes open during trade agreements, such as the Economic Partnership Agreements (EPAs). It must also not accept new issues on the table during World Trade Organisation (WTO) sessions and push for WTO reforms to create

fair and equitable trade as the current agricultural subsidies of industrialised nations make a parody of the concept of free trade. Regional and continental integration will have to play a significant role if Africa is to benefit through trade during this period. An integrated Africa will prove vital in acting towards increasing trade welfare for African producers.

Conclusion

Africa still holds much potential for taking a larger share of the global trading system if only it acts wisely through fostering stronger trade links regionally and continentally while empowering itself through increasing its own trade competitiveness.

Africa must realise that there is no genuine development without an active state and a balanced market structure. Africa must also work hand in hand with civil society organisations in reclaiming the debate for African development through trade. Africa still has much to learn, but in the end it must emerge from this crisis wiser and stronger.

(Source: Tommy Singongi)

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Cash Aid to Fight Poverty

Europe has made an ambitious commitment to scale up its aid to Africa. But boosting aid to countries that are already aid-dependent requires clearer delivery mechanisms and a degree of budgetary predictability. Cash transfers directly to poor people could be an alternative only as part of longer-term vision of partner countries' welfare systems.

Budget support suffers from low credibility, not only among donor taxpayers, but also among citizens in recipient countries. For cash-transfer schemes to work, they must be regular, predictable, and of long term. Donors and their taxpayers might be willing to make long-term commitments for such a purpose but with less appetite for making commitments which would seem to be never-ending.

(BD, 06.01.09)



The Spillover Effect

The mutating global financial crisis is unlikely to spare even developing countries, nations initially thought to be shielded from the crisis. As a result, the Kenyan economy also does not present a rosy picture.

The Central Bank has already warned of a further rise in the level of inflation in the coming few months amid supply constraints attributed to drought in the first quarter of this year. High inflation is a big concern to the Kenyan economy especially now as stakeholders seek ways to protect the gloomy economy.

(BD, 25.03.09)

A Blessed Hand

Some civil society organisations (CSOs) have welcomed Chinese investment in Africa but expressed concern on poor working conditions and failure to meet environmental standards. African Forum and Network on Debt and Development (AFRODAD) Director, Vitalis Meja said that China was assisting Africa rebuild her economy and various sectors through cheaper credits.

Private Sector Development Association Chairman, Yusuf Dodia said that Chinese finance to Africa presented an important development opportunity for sectors such as energy, railways and telecommunication. China has pledged to increase its investment by 200 percent in 2009.

(ZDM, 18.03.09)

Global Crisis 'Hits Africa Twice'

Africa is facing difficult times. The effects of the global economic recession and climate change have already begun

to reverse the progress the continent has made over the last decade.

Many countries are experiencing reduced trade and economic activity, withdrawal of investors and an acute scarcity of credit. Projects are being postponed or cancelled altogether. Financial inflows are dropping, including levels of international assistance and remittances.

Africa now needs urgent support to maintain economic activity and protect the vulnerable from the crisis. The least developed countries (LDCs) find themselves lacking access to credit and are faced with lending policies and practices that minimise their chances of receiving loans.

(Allafrica.com, 27.03.09)

Rural Economies – A Boost!

The rural economy is steaming with unexploited potential for micro and small enterprise development. Lack of institutional support and inadequate push to turn the common daily activities in the village into profitable business ventures is holding back development of the rural areas.

Rural economies are an ideal starting point for realising the vision of making Kenya the middle-income economy by 2030.

There is a need to understand the role the micro and small enterprises, support the primary producer to be profitable, business minded and scale up to the point of value addition, or our development goals shall remain a mirage.

(BD, 06.01.09)

A Bumpy Ride

Falling demand for cotton in key target international markets, triggered by

the effects of economic downturn and competition from the cheaper polyester textile fibre, is hindering the revival of the industry.

Projections by the International Cotton Advisory Committee (ICAC) showed that the commodity's share in the world's textile fibre market would drop to about 38 percent in 2009 compared to 53 percent barely a decade ago.

The demand is also set to be hit by the new world quota management on global textile trade that allows big producers such as China to make larger shipments into the US market. Kenya is heavily reliant on the US market for cotton trade.

(BD, 06.01.09)

Inflated Food Prices

Food prices have risen between 10 and 11 percent in the last three months, explaining why many households have difficulty affording food. Of the 42 crop items whose market prices are tracked by the Ministry of Agriculture, 24 reported price rise, against 12 whose prices fell in Nairobi. For the rest of the crop items, prices did not change between December 2008 and March 2009.

Kenya removed import duty on food in February, but local prices are yet to come down due to the lag between policy changes and the arrival of the imports. Among the foods whose prices went up were dry and green maize, finger millet, legumes, roots and tubers, fruits, popular vegetables, and flavoring foods.

(BD, 25.03.09)

China Aids Senegal

The Chinese government has pledged US\$11.5mn for support of a variety of projects in Senegal. Funding would be used to build and refurbish 11 stadiums, a museum, a national theatre in Dakar and a children's hospital in the country.

China doubled aid to Africa in 2006, giving billions of dollars in preferential loans and cancelling debt as it seeks to further extend its influence on the resource-rich continent in a relationship that has often drawn criticism from the West.

The two countries signed two documents under which China will fund Senegal's national security network and the upgrading of Senbus bus parking place.

(AN, 30.01.09)

'Bail-out' Fund for Africa

African commercial lenders and central banks will be able to access an emergency US\$1.5bn "bail-out" facility set up by the African Development Bank (AfDB). Donald Kaberuka, President, AfDB, said, "This will be a revolving facility to keep trade and investment moving. The central banks will have liquidity to sell to commercial banks and commercial banks will have liquidity to sell to each other".

The new AfDB facility should feed through to African companies struggling to finance imports or complete investment projects. The International Monetary Fund (IMF) has forecasted that growth in sub-Saharan Africa (SSA) will halve from the average of the past decade, to just over three percent.

(FT, 12.03.09)

Fight Against Famine

The UN office in Kenya has kicked off a drive to raise funding to help millions of people facing starvation in the East African nation.

A fund-raising campaign was launched in Nairobi by Anna Tibajuka, head of the UN Office in Nairobi, emphasising that "Hunger is not an option". "But at the moment for 10 million people it is a reality", she said, adding there was food in the country but the real problem was access.

Kenyan President, Mwai Kibaki, made a US\$400mn appeal to tackle the emergency food aid, while also making the declaration of a famine state in the country.

(AN, 11.02.09)

Drunkards are Useful

President Yoweri Museveni has said that Ugandans should not despise

drunkards because they are useful in the development of the country's economy. "When a drunkard buys a bottle of beer, the beer is taxed and from the taxes, government earns revenue which is used to provide a number of services like paying you salaries which you use to buy those shoes and suits you are putting on", said Museveni.

Speaking at the closing of a three-day workshop entitled, "Patriotism Building in Schools" for secondary school teachers he responded to the issue of over-taxation of salaries. The teachers in their Memo complained that over taxing their salaries was making them fail to meet their domestic, school fees and other demands.

(DM, 27.02.09)

Meltdown – A Threat

The serious threat to African economies posed by the global financial crisis is an emerging theme at the World Economic Forum. Politicians and economists have stressed that an era of relative optimism about Africa's economic prospects is coming to a close. Africa is once again in danger of becoming the "forgotten continent".

Trevor Manuel, South Africa's Finance Minister said that Africa's economies were "at risk of decoupling, derailment and abandonment". Manuel is particularly worried by the threat of trade and financial protectionism in the developed world.

Manuel's concerns are shared by Kofi Annan, the former Secretary General of the UN, "Africa had nothing to do with the sub-prime crisis but we are all going to be affected".

(FT, 30.01.09)

Nucleus of Economic Recovery

The Africa Progress Panel insists that African support is critical in the

management and mitigation of the impact of global economic meltdown, chair of the panel said.

Releasing the report that dwells upon the economic growth and positive political trends in Africa of the last few years, Annan said, "World leaders must grasp the opportunity to support African development as a means of driving their own economic recovery".

It continued that trade liberalisation is also needed for early harvesting of gains while pressing for the impasse post-Doha to be broken. "It is more important than ever that Africa's partners honour their commitments. Aid is not the main driver of growth in Africa, but it is needed to lubricate the continent's economic development", the report said.

(AN, 30.01.09)

Reality, Not a Myth!

The poorest continent is being crowded out of global capital markets because of massive demands of the developed world, and will need additional aid to avert a "full-blown development crisis", according to some of Africa's most influential policymakers.

The myth that Africa and other low-income countries have been only marginally affected by the global economic crisis is exploding and African economies are being ravaged by a collapse in world commodity prices. Foreign investment is drying up and some of the continent's star reformers are struggling to contain ballooning budget deficits.

There is a fear that any new pledges for aid to Africa would be tied up with so much conditionality that it would never be deployed. African countries appealing for smaller sums faced at least six months of waiting.

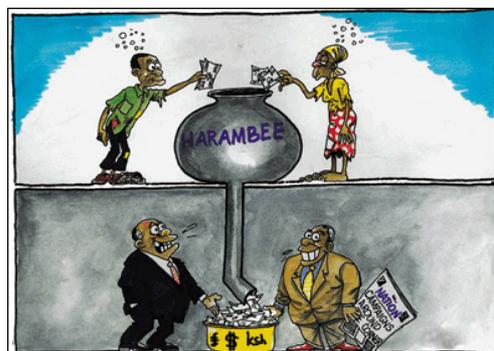
(FT, 19.03.09)

Anti-corruption Agencies Under Scrutiny

A continent wide discussion called "Improving the role of anti-corruption institutions in Africa" has been initiated. It aims to bring out ways to make these institutions more effective and efficient to successfully carry out their mandate of corruption control. It will also allow for constructive exchange on the challenges that impede the work of national anti-corruption institutions and provide some solutions. The e-discussion group includes civil society, community based groups, academicians, policymakers, and national anti-corruption institutions.

It was found that most of the anti-corruption institutions have not performed up to expectations, as revealed in a study conducted by The Governance and Public Administration Division (GPAD) of the United Nations Economic Commission for Africa (UNECA).

(AN, 13.02.09)



Regional Gathering

Common Market for Eastern and Southern Africa (COMESA) is scheduled to launch its CU in May 2009. Given the policy changes that this will entail at the national level, the involvement of national stakeholders in the process was found to be a key element. Most countries have involved national stakeholders in the process so as to allow them to contribute to policy formulation.

It is important to include different state and non-state actors, including civil society, parliamentarians and NGOs, so as to ensure the smooth implementation of the CU.

COMESA in collaboration with TradeCom Facility is organising a regional interactive workshop aimed at building communication links with those who have interest in the benefits and challenges that will accrue the region as a result of the COMESA CU. *(Simon Ng'ona, 27.03.09)*

SA to Assist Zim in Rebuilding

South African ambassador to Zimbabwe, Professor Mlungisi Makalima said that his country is prepared to help Zimbabwe's reconstruction of basic infrastructure vital for economic stabilisation.

Professor Makalima said the Tswana Government, in partnership with the regional leadership, were excited with Harare's new political dispensation. "The process is now on course and South Africa stands ready to assist, within the context of her own capacity", he said.

Over the years, Zimbabwe's public infrastructure deteriorated to unprecedented levels as a result of investment drought as well as tough economic environment. A substantial amount will be needed for repairs.

(Allafrica.com, 27.03.09)

Economic Downturn – A Concern

African trade ministers are meeting to discuss the latest economic downturns besieging the continent, *vis-à-vis* the global financial crisis, increasing food prices, climate change and global trade.

The ministers will reflect on how the World Trade Organisation (WTO) Doha Round of negotiation and the EPA negotiations can be successfully concluded.

The fifth ordinary session of the AU Conference of Ministers of Trade is a key institutional framework of the African Union, which provides the forum an opportunity for trade ministers to review developments and assess policy implementation. *(AU Monitor, 20.03.09)*

SA excluded from EU Deal

The EU is likely to move towards the official signing of an interim economic partnership agreement (EPA), with countries of the Southern African Development Community (SADC) that will exclude South Africa.

A meeting between the EC and the SADC group failed to break an impasse over concerns SA had, despite significant further concessions by the EU to sweeten the deal, including favourable terms for infant industry protection, export taxes and quantitative restrictions of exports in favour of SADC.

It was likely the EC would be given the go-ahead to sign the interim deal as all attempts to bring SA back into the talks had failed. This will see Botswana, Lesotho, Namibia and Swaziland sign the deal, leaving SA, the only other member of SACU, out of the deal. *(BD, 06.03.09)*

Stronger Regional Integration

At the South Africa-EU strategic partnership meeting in South Africa,

ministers reiterated the objective of ensuring that the EPA negotiations 'support regional integration and development in southern Africa'.

The ANSA group (Angola, Namibia and South Africa) had submitted a joint demarche to EU member states setting out concerns over the EC approach of addressing contentious issues and the implications of that approach for regional integration processes.

Fears were expressed that the 'SADC-wide integration process will be compromised if the current approach persisted, since a multiplicity of diverse tariff elimination commitments will be entered into by SADC member states and different commitments will be made on new issues, making it very difficult to establish a common regional framework'.

(acp-eu-trade, 16.02.09)

Look East Policy

South Africa is interested in strengthening trade relations with developing country partners and is articulating a strong 'Look East' policy.

Trade links with China and India seem to be high on the agenda. This is important in the context of the Southern African Customs Union (SACU) too. South Africa is the largest and most developed country in this Customs Union (CU), and its preferences are likely to influence SACU's trade agenda.

China and India are two very fast growing developing countries, which are also important sources of foreign direct investment (FDI) in Africa. free trade agreement (FTA) between SACU and China and with India are likely to deliver very different impacts, and will raise important policy questions for South Africa and SACU. *(WTO, 18.02.09)*

COMESA Programme on Climate Change

The Secretariat for the COMESA and the Government of Norway recently signed a grant agreement in which Norway will make available to COMESA a financial grant of about US\$2.5mn for the implementation of the Climate Change programme for the 2009 work programme.

The programme is aimed at supporting the sub-region's vision and efforts to address climate change challenges, including its impact on socio-economic development and poverty reduction.

Further, the programme will build and strengthen the capacity of African countries to address adaptation and mitigation to climate change, and to facilitate an African dialogue on the inclusion of sustainable agriculture and land-use practices, forestry, bio-diversity conservation, and maintenance of environmental services in the post Kyoto Climate regime.

(COMESA, 15.03.09)



North South Corridor

The extensive North South Corridor project is being driven by COMESA, East African Community (EAC) and SADC. It aims to create a reliable and efficient transport network and reduce bottlenecks along the main trading routes through eight African countries – South Africa, Zimbabwe, Zambia, Tanzania, Democratic Republic of Congo, Malawi, Botswana and Mozambique.

Faster border crossings and improved railways and highways will improve accessibility of producers, to regional and international markets, stimulating economic growth and investment.

In addition to upgrading infrastructure and simplifying customs and regulatory procedures, the integrated series of projects will also include measures to improve power supply and transmission in the 12 Southern African Power Pool members. *(CN, 27.03.09)*

Mealie Meal for DRC

Congolese nationals at the Kalumbalesa border post cheered the entry of eight trucks loaded with maize that were impounded from businessmen by Zambian government authorities.

The Congolese nationals chanted for mealie meal in near disbelief as Zambian authorities let the first eight trucks of maize roll into the Democratic Republic of Congo (DRC) territory.

During the hand over of the maize, it was explained that the maize had been forfeited to the Zambian state but since the maize had been destined for DRC, President Rupiah Banda ordered for it to be given to that country. *(TP, 25.03.09)*

China to Import More Copper

Zambian Minister of Finance and National Planning, Situmbeko Musokotwane says government is optimistic that the mining sector will perform well considering Chinese State Reserve Bureau's plans to increase the purchase of copper for the year 2009 from the current 600,000 metric tonnes to one million metric tonnes.

Dr Musokotwane also said that the growth of market capitalisation on the Lusaka Stock Exchange (LuSE) over the past few years gave some hope that the market in Zambia was sustainable for stock investments. The minister said he expected the Securities and Exchange

Multi-million Dollar Trade Drop

SACU will experience US\$8bn decline in revenue, says South Africa's deputy foreign minister Sue van der Merwe. She told countries that relied on the export of a single commodity were the hardest hit by the trade drop.

Angola and Zambia recorded impressive growth over the past years as a result of the rise in copper and oil prices. However, with the sharp decline in their prices both are under pressure.

The South African official also backed calls for rich countries to donate 0.7 percent of their stimulus packages to international programmes.

And recently, Japan announced additional foreign aid of US\$500mn, on top of an earlier pledge to double Tokyo's assistance to the continent. *(ZDM, 26.03.09)*



Commission and LuSE to collaborate in improving liquidity in the capital market and increasing the number and volume of trade on the stock exchange market. *(ZDM, 20.03.09)*

Common Currency by 2016

COMESA is committed to adopting a common currency for regional trade purposes. Adoption of common currency is aimed at easing intra-regional and continental trade by eliminating exchange risk and disparities.

Most developing countries are currently under pressure from the persistently strong US\$, which is hindering trade efforts for weaker economies.

It is also predicted that the implementation of the simplified trade regime would address smuggling to a large extent because small scale, cross-border traders are not catered for under the existing policies. *(TP, 23.03.09)*

Domestic Market to Cushion Crisis

Tourism Ministry recently observed that Zambia's domestic market can significantly cushion the effects of the global financial crisis on the country's tourism industry.

The tourism industry had been greatly affected by the current economic challenges as it relied on international tourists but the domestic market had potential to cushion the impact of the global financial crisis.

The domestic market would only respond favourably if the packages were affordable and inclusive. The tour operators should partner with government and other private sector players in order to meaningfully develop the industry.

The Domestic Packaging Programme is a pilot project tailored to boost access by the local market to tourism industry services and products. The initiative is a partnership between the Ministry of Tourism and the Zambia Tourism Board. *(TP, 24.03.09)*

Greater Trade Accountability

US Ambassador to Zambia, Donald Booth has called for greater trade accountability in COMESA for meaningful economic growth. During the second Trading for Peace Regional Forum Ambassador Booth urged individual COMESA members to capture activities for cross-border traders.

Commerce Minister Felix Mutati urged traders in the informal sector to respond to global economic challenges. Mutati disclosed that 80 percent of cross border traders were women, who were key in poverty alleviation. He further emphasised the importance of trade in the promotion of peace and prevention of conflict. *(TP, 20.03.09)*

Tobacco Sales to Rise

Eastern Province is expected to realise US\$40mn from tobacco sales, as projected by the Eastern Fodya Association of Zambia (EFAZ). And EFAZ had said the tobacco market would be opened towards the end of March and not earlier as had been expected.

EFAZ vice-chairperson Chishala Chilufya said that the province was expected to produce 20 million kgs of tobacco from this season's production. He further said that the association would ensure that tobacco companies did not exploit farmers. *(TP, 20.03.09)*

Counterfeit Drinks Scam

A combined team of the Zambia Police Service Intellectual Property (IP) Unit and other security agencies recently unearthed a multi-million kwacha scam of counterfeit drinks manufactured in Lusaka's Zingalume area.

The scam is believed to have been going on since 2006. The team of security personnel stormed the area and impounded a truckload of fake carbonated drinks under the brand of Ziee and Taico lemonade drinks, which were destined for Southern Province.

IP specialist Kingsley Nkonde who led the team said that government lost millions of kwacha through unpaid taxes from illegal businesses. He also warned that producers of fake products risked the lives of unsuspecting customers by manufacturing such goods in unhealthy conditions. *(TP, 24.03.09)*

Tariff Hikes Hit the Poor Hard

The Civil Society for Poverty Reduction (CSPR) is concerned that the proposed 66 percent hike on electricity tariffs will make life difficult for Zambians, especially those in the rural areas.

CSPR acting Executive Director, Saul Banda said that in the current situation where both people in urban and rural areas are struggling to meet their basic needs due to high commodity prices and shrinking incomes, hiking tariffs would worsen an already volatile situation.

Banda said that he was concerned that the proposed increases would make life more difficult particularly for the rural population that accounted for 3.1 percent access to Zambia's electricity grid. While he noted the perceived challenges that ZESCO currently faced due to the closure and scaled down operations of mining companies, he said that ZESCO's challenges should not be borne by the already strained people of Zambia. *(ZDM, 20.03.09)*

Improved Power Generation

Zambia's energy minister recently called for Enhanced Integration to improve power generation and supply in the region. There is a need to develop an integrated approach for sustainable power generation.

The total installed capacity for the COMESA region is around 35 mega

watts, of which 69 percent is thermal and the remainder is hydro. Currently, there is an estimated 20 percent deficit, which is expected to be exacerbated to 46 percent by 2011. *(TP, 17.03.09)*

Policy to Conserve River Basins

Ghanian government has drafted a zone buffer policy document to conserve the country's most endangered river basins.

According to a statement released by Water Resources Commission (WRC) the policy ensures all designated buffer zones along rivers, streams, lakes, reservoirs or other surface water bodies to be adequately vegetated and sustainably managed.

"This is to restore and maintain the ecological integrity, as well as provide socio-economic benefits to local communities in fulfillment of Ghana's overall water, environment and land use policies, such as the MDG, growth and poverty reduction strategy", said the statement. *(AN, 22.01.09)*

Maize Millers Warned

Food Reserve Agency (FRA) board Chairperson Costain Chilala warned millers against deliberately making impressions of maize shortages in the country. Commenting on the mealie meal prices, he said that they remained high at US\$12.4096 per 25 bag due to the greediness of millers.

Chilala explained that FRA recently sourced 80,000 metric tonnes of maize from local sources which was enough to cater for Zambia's mealie meal needs for a whole month and hence there was no justification for the current prices of maize.

There is also a report that some millers have been accused of getting subsidised maize from FRA on the pretext of producing mealie meal but diverting it to other finished products. Zambia's monthly consumption of maize recently jumped from 60,000 to 80,000 metric tonnes. *(TP, 13.03.09)*

Join Hands to Save Environment

Zambia Revenue Authority (ZRA) Commissioner General Chriticles Mwansa recently said that the protection of the environment should not only be left to the public officials, but is also a collective responsibility.

Floods – Soldiers on Alert

The defence forces have been directed to be on the stand and support efforts by the Disaster Management and Mitigation Unit as floods continue causing damage to infrastructure in various districts of the country.



"In the last few weeks, the country has been experiencing unprecedented levels of rainfall, which have led to floods and damage to roads and other infrastructure across the country. My government has been monitoring and assessing the impact of these excessive rainfalls through the vice president's office – Disaster Management and Mitigation Unit", said the Zambian President, Rupiah Banda.

Banda said the assessment indicated that most parts of the country have been severely affected, including Western, Southern and North-western provinces.

He said government will continue monitoring the situation and the nation will be kept informed on the developments. *(SM, 22.03.09)*

The Environmental Council of Zambia (ECZ) has established partnership between government departments and the private sector. He said ZRA would ensure that nothing whose importation or exportation is controlled under any law or international convention crosses Zambia without due authority. ECZ acknowledges the continued support rendered by ZRA particularly in the chemical management conducted mainly at ports of entry.

However, there is a need to strengthen border controls in other strategic ports of entry such as Nakonde, Mwami and Kasumbalesa in order to monitor and control imports of chemicals and other hazardous substances. *(TP, 25.01.09)*

ARC, Lusaka Hosts EIF National Sensitisation Workshop



A national sensitisation workshop of the Enhanced Integrated Framework (EIF) project for poverty reduction was organised on January 21, 2009 in Lusaka, Zambia.

The main aim of the workshop was to raise awareness among all stakeholders working on trade and development issues and the importance of the EIF process to LDCs, such as Zambia. The workshop was also used as a platform to sensitise and engage stakeholders on the EIF process so that they can assess the opportunities of the EIF for to the LDCs.

The workshop was attended by 42 representatives from government, CSOs, research institutions and the media.

Sensitisation Workshop on the EIF

On February 11, 2009 ARC Lusaka hosted a provincial workshop in Kitwe Town of the Copperbelt Province in continuation with the lined up activities on the EIF project.

The main purpose of the workshop was to sensitise both state and non-state actors of the Copperbelt Province on the importance of the EIF process. The workshop was attended by representatives from government, civil society, media and the private sector.

Roundtable Meeting for CSOs

ARC, Lusaka organised a roundtable meeting for civil society organisations (CSOs) on February 27, 2009 at Blue Creston the issue of EIF. The meeting was organised for CSOs to discuss, analyse and give an input into the EIF implementation process in Zambia. Recommendations from this workshop will be presented to Ministry of Commerce, Trade and Industry and the EIF team in Geneva.

EIF Provincial Workshop in Mansa

ARC, Lusaka with CSPR hosted a sensitisation workshop on EIF in Mansa on March 19, 2009. The objectives of the workshop were to build awareness about the EIF and trade in Luapula Province, identify the needs of those involved in trade and those marginalised during trade, discuss strategies to improve



trade and look at ways of integrating these strategies into national programmes. The workshop was officiated by the Mansa District Commissioner and attracted 28 participants from the government, private sector and CSOs.

FORTHCOMING EVENT

Fostering Equity and Accountability in Trade

CUTS Geneva Resource Centre (CUTS GRC) jointly with Malawi Economic Justice Network and ARC, Lusaka will be organising national dialogues under the Fostering Equity and Accountability in Trading System (FEATS) project in Lilongwe and Lusaka, on April 06 & 08, 2009 respectively. CUTS GRC with the support of The William and Flora Hewlett Foundation, US, is implementing the project.

FEATS project began in 2008 and will continue through March 2011 with the broad goals to raise awareness for better coherence between development and trade policies, thus contributing to economic development and poverty reduction in project countries. FEATS project countries include Kenya, Malawi, Tanzania, Uganda, and Zambia. The project is divided into two phases of trade policy research, the first to analyse the political economy aspects of trade policy-making in the project countries and the second to focus on a specific issue within the topic of "Trade in Agriculture".

National dialogues in Lilongwe, Malawi and Lusaka, Zambia were divided into two substantive sessions: to discuss the first phase research and make progress on the Terms of Reference (ToRs) for the second phase research. As part of the first session, a questionnaire would be circulated with questions aimed at validating the research output of the first study, as well as to fill in some research gaps. About 40 participants would be attending each dialogue and in terms of institutions; most National Reference Group (NRG) members would be present although some represented by different members from those who attended the National Inception Meetings in October 2008.

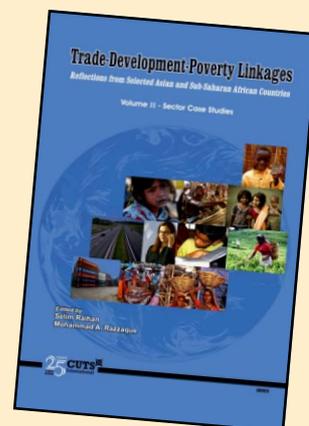
Trade-Development-Poverty Linkages: Reflections from Selected Asian and Sub-Saharan African Countries

– Volume II Sector Case Studies

With the support of the Department for International Development (DFID), UK and the Ministry of Foreign Affairs (MINBUZA), The Netherlands, CUTS International has implemented a project, 'Linkages between Trade, Development and Poverty Reduction' (TDP) over a period of four years (from January 2005 to December 2008).

This is the second volume published in the series. The sectoral case studies of this volume provide an insight into the effects produced by trade liberalisation in select sectors in project countries. The sectoral studies conducted in the 13 TDP countries identify the factors that need to accompany trade openness for it to become an engine of economic development and poverty alleviation. The findings reflect the need for fair and balanced rules in the multilateral trading system for ensuring sustainable and inclusive development in the countries of the South.

This Research Report can be viewed at:
<http://www.cuts-citee.org/pdf/TDPBook-Volume-II.pdf>



African Regional Integration: Turning a Dream into a Reality

(CITEE No 3/2009)

Africa has been pursuing integration programmes for a very long time. From the 1960s to the present, many integrations groups have emerged and faded away. Several new regional and sub-regional groupings have since emerged, confirming the belief by African countries in economic cooperation and integration for growth and development. The ultimate objective is to use the Regional Economic Communities (RECs) – as these regional groupings are referred to – as building blocks for the African Economic Community (AEC).

This Briefing Paper addresses a number of constraining factors which have not facilitated the functioning of the regional integration agreements in Africa. These factors are divided into four broad categories, i.e. political, economic and infrastructure, external, and REC design and implementation issues.

This Briefing Paper can be viewed at:
<http://www.cuts-citee.org/pdf/BP09-REC-01.pdf>

ARC Lusaka to Produce EIF newsletter

In the quest to create more awareness and enhance understanding on the EIF ARC, Lusaka is going to produce a newsletter on the EIF. This is the first volume and will incorporate a number of detailed articles from both state and non state actors. The main purpose of this publication is to keep government, CSOs, private stakeholders and the grassroots communities informed on the importance of the EIF and its events and activities.

Study on the DTIS

Diagnostic Trade Integrated Study (DTIS) is being carried out by ARC, Lusaka with an aim of making an assessment of the DTIS in Zambia and its relevance to building trade capacity and eventually lead to poverty reduction. The document will be shared with MCTI and other non-state actors.

Sources

AN: Afol News; BD: Business Day; CN: COMESA News; COMESA: Common Market for Eastern and Southern Africa; DM: Daily Monitor; FT: Financial Times; SM: Africa Online; TP: The Post; WTO: World Trade Organisation; ZDM: Zambia Daily Mail

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