Tradequity
A Newsletter of CUTS Africa
Year 15, No. 2/2016

Quest for a Pan-African Investment Code

Promoting Sustainable Development

The year 2015 was a crucial one for Africa regarding the negotiation of the first continent-wide investment agreement: the Pan-African Investment Code (PAIC). Although this legal instrument – presented in the form of a treaty – is not yet officially adopted, but it reflects an African consensus on shaping of international investment law.

The main objective of the PAIC is to foster coherence and consistency with respect to the rules and principles that will govern investment protection, promotion and facilitation on the African continent. As such, it has the potential to become a sustainable solution to solve the puzzle of International Investment Agreements (IIAs) in Africa.

African countries adopted the Bilateral Investment Treaties (BITs) between the mid-90s and the early 2000s, mainly from capital exporting countries like Europe. Currently, African countries have signed around 870 BITs or IIAs, which correspond to about a third of all IIAs signed worldwide.

Investment Facilitation in Africa

African Ministers responsible for continental integration decided to work on PAIC in 2008. Its declared aim was to draw greater investment flows to the continent and to facilitate intra-African cross-border investment. A group of independent African experts – representatives from various African Regional Economic Communities (RECs), academia, and the private sector – has drafted the text, proceeding in two phases. In the first phase, the group compiled African best practices in the field and elaborated a first draft. The second and decisive phase, which took place throughout 2015, consisted in finalising the PAIC text at the expert level.

The PAIC, has the potential to solve the problems of legal uncertainty and fragmentation. The issue of the relationship between the PAIC and other investment agreements is addressed in the draft text of the PAIC, which clarifies that: "Member States might agree that in case of a conflict between this Code and any intra-African BIT, investment chapter in any intra-African trade agreement, or regional investment arrangements, this Code shall take precedence".

'Africanisation' of Investment Law

The PAIC reflects the trend towards the 'Africanisation' of international investment law in the current context of reform of the international investment regime.

The PAIC reformulates traditional investment treaty language, introduces new provisions, such as unprecedented provisions on due diligence and obligations for investors in relation to human rights; corporate social responsibility; use of natural resources; and land-grabbing. Further, it omits certain investment standards completely.

The PAIC is intended to be a balanced instrument, meaning that it seeks to balance between investment protection and non-investment related public interests, as suggested by the innovative United Nations Conference on Trade and Development (UNCTAD) Investment Policy Framework on Sustainable Development. Consequently, sustainable development plays a prominent role throughout the draft text of the PAIC.

Moreover, PAIC might end up as a binding instrument applicable in all (AU) member states, or it might be adopted as a model treaty serving as a guide for individual member states' IIA negotiations. The AU member states need to decide upon the issue with their relevant stakeholders.

The elaboration of the PAIC has allowed African countries to deliberate on their vision of IIAs and to be aware of the broader implications of foreign investment as a tool for sustainable development.

The PAIC thus endows Africa with a voice in the international debate on the future and reform of the investment regime. Furthermore, its strong emphasis on SDGs bears the potential for the PAIC to become a model for innovation outside Africa.

– *This cover story has been abridged from an article by Makane Mbengue published in* www.ictsd.org, *on June 21, 2016*

IN THIS ISSUE

CUTS International
CUTS Africa
Email: lusaka@cuts.org (Lusaka)
Email: nairobi@cuts.org (Nairobi)
Email: accra@cuts.org (Accra)
Website: www.cuts-international.org/ARC

Ayensu Factory Bounces Back

The Ayensu Starch Company Limited (ASCo) of Ghana that became defunct in 2006, two years after it had been inaugurated has been reactivated to create jobs and boost agriculture and industry. The factory was re-inaugurated again at Awutu Bawjiase by the Hanna Serwaa Tetteh, Minister of Foreign Affairs of Ghana.

After the first and initial factory inauguration, the factory faced challenges, such as the delay in the payment of out growers, as well as the unattractive price of cassava (starch), which did not encourage farmers to go into its cultivation.

In view of these challenges, the factory incurred huge costs in production, which informed a partnership with the relevant stakeholders through the Ministry of Trade and Industry (Ghana).

(DG, 27.06.16)

Kenya's Improves in AIDI

Information Communication and Technology (ICT) and transport upgrades have helped to raise Kenya's (Nairobi) infrastructure development ranking in Africa despite dismal performance by east Africa as a bloc. The 'Africa Infrastructure Development Index (AIDI) 2016' by the African Development Bank (AfDB) lists Kenya among top winners over three years having gained five positions based on the capability of ICT and transportation.

ICT has, increasingly, become an important enabler of Kenya's economic growth. Further, the government has continued to focus on the implementation of e-government to enhance the uptake of ICT in its operations for effective and efficient delivery of services to its citizens.

(BD, 17.06.16)

ZACCI Launches Toolkit

Zambia Chambers of Commerce and Industry (ZACCI) has launched a business toolkit aimed at addressing the skills and knowledge gap among Micro, Small and Medium Enterprises (MSME). ZACCI President Geoffrey Sakulanda said the business toolkit will also enhance the performance of small-scale businesses.

Sakulanda said the development is in view of low skills and knowledge levels among MSMEs, who if equipped with the right skills can contribute significantly to the economy. He explained that the toolkit is a comprehensive and practical compendium for entrepreneurs and is tailored for the Zambian environment. The toolkit covers, among others, introduction to entrepreneurship, business planning, financial management and sales and marketing. *(ZDM, 27.06.16)*

Creating New Jobs in Zambia

President of Zambia Lungu said that the declaration of new districts has brought about massive infrastructure development and created jobs for citizens. After touring projects in Shibuyunji district in Zambia, President Lungu said that creation of new districts by the Patriotic Front administration has resulted in the construction of more schools, clinics and roads, such as Mongu-Kalobo road, thereby improving the living standards of the people.

The President said that the Zambian government will soon start compensating 40 families of Shibuyunji, who were displaced as a result of the infrastructure development projects taking place in the district. *(ZDM, 17.06.16)*

Aid to Foster Agribusiness

The leading credit guarantee Exim guaranty Ghana Ltd. and the United States Agency for International Development-Financing Ghanaian Agriculture Project (USAID-FinGAP) are collaborating to provide credit guarantees, which are expected to increase financing for agricultural development and innovation in Ghana.

This collaboration was born out of the fact that agribusinesses seeking financing to meet their business needs lack the fixed asset collateral usually demanded by the financial institutions.

Eximguaranty is therefore collaborating with FinGAP to support Small and Medium including Large Enterprises with viable business ventures in maize, rice and soy value chain, through provision of credit guarantee in favour of financial institutions offering credit.

(B&FT, 27.06.16)

New Industrial Park in Zambia

A Chinese company Zhongyang is to set up a trading estate in Lusaka's heavy industrial area to promote investments exclusively from Southeast China. Zhongyang Construction Group and Zambia have signed an agreement for establishment of what will be called Jiangxi Industrial Park, which will be a platform for investors from China's Jiangxi Province.

The group is among six national premium construction enterprises with diversified businesses in the Chinese province. In 2016, Government and Tianjin Federation of Industry and Commerce launched the One Belt One Road industrial parks in Lusaka and Chisamba with a US$1bn investment to create national wealth and job opportunities. *(ZDM, 28.06.16)*

ICT to Boost Economy

Deputy Communications Minister, Felix Ofosu-Kwakye of Ghana has emphasised over the government's commitment to scale up investments in the ICT industry to benefit from the sector's huge potential as a global dominant employer.

www.soschildrensvillages.org.uk

According to the Minister, the development and expansion of the national broadband infrastructure was on course and had connected 120 communities along the Eastern corridor to the system to boost faster, easier voice and data quality to enhance business transactions and ICT education.

He added that various strategies have also been taken to stop cybercrime in the country noting that other measures were also being taken to ensure that children do not get easy access to prohibited sites.

(B&FT, 30.04.16)

EAC States Review CET

www.theeastafrican.co.ke

The East African has learnt that the proposed review of the EAC three-band tariff could see excessive protection granted to sensitive goods, such as maize, rice, wheat, textiles and sugar abolished and a uniform duty applied to the products.

Other key issues under discussion include a proposal to review the existing CET rates and the basket of sensitive goods with a view to dropping some of them from the list and a proposal on whether or not an additional fourth tariff band should be introduced to the EAC's three band CET. EAC's current CET of zero percent on raw materials and capital goods, 10 percent on intermediate goods and 25 percent on finished goods were agreed upon by the member states on June 23, 2003. *(TEA, 25.06.16)*

Bilateral Trade to Hit US$2.4bn

The US is hopeful of doubling its bilateral trade with the Ghana from the current US$1.2bn within the following three years as it seeks to push job-creation as well as unearth global trade potentials.

In 2015, the bilateral trade was about US$1.2bn. Ghana Ambassador Jackson expressed that the US would like to ensure that bilateral trade hits US$2.4bn in the coming years.

He mentioned that Ghanaian companies need to focus more on the export sector to the US market. There are a number of US companies interested in dealing with some Ghanaian companies in the textile area. He also indicated that investments from the US government will be focussing strongly on sectors like health, agriculture, education and democratic governance, which will be key to boost the economy's growth. *(BF&T, 19.04.16)*

Zambia Ratifies Trade Pact

Zambia has ratified the World Trade Organisation (WTO) agreement on trade facilitation, which will assist the Zambian government put in place reforms that will reduce the cost of doing business. The implementation of the agreement is aimed at putting in place interventions in Zambia's regulatory trade environment by providing support infrastructure and capacity building for stakeholders.

Trade facilitation reforms will improve trade logistics and facilitate 'Ease of Doing Business' by embarking on modernising the manner in which trade is conducted. Implementation of modernised trade ecosystems will ensure efficiency and effectiveness in trade system, thus reducing the cost of doing business and increasing foreign investment.

(ZDM, 21.06.16)

ZMM Trade Triangle Vital

Deeper regional integration is a must in the Zambia-Malawi-Mozambique (ZMM) trade triangle, which will promote inclusive growth among the three countries, indicates African Development Bank Trade Department Director Moono Mupotola.

She said the three countries have a huge tourism potential and could benefit from easing barriers to trade and investment in targeted sectors, putting in place measures to facilitate the movement of tourist and tour operators across the three countries.

Mupotola said that improved corridor infrastructure and trade facilitation arrangements also provided a great incentive for expanding business in the ZMM growth triangle initiative.

She also stressed the need to leverage on tripartite arrangements, which could give access to an even bigger market of around 600 million people. *(DN, 03.06.16)*

Malawi Eyes Zambian Maize

Three-million Malawians are expected to be hit with hunger in 2016 following poor rainfall during the 2015/16 farming season. Farmers' Union of Malawi's (FUM's) Director of Research, Policy and Partnership, Candida Nakhumwa, said Malawi was coming from a poor season previous year where it was hit by adverse weather conditions as a result of the *El Nino*.

She noted that FUM wanted Zambia to help Malawi in a formal manner where the two countries could trade in Maize to cushion the hunger in that country. She observed that Malawi was lucky that Zambia had surplus maize in 2016 and it would be prudent that the two countries helped each other by engaging in formal trade of the staple food. *(LT, 23.05.16)*

Protecting Cashew Trade

The Trade and Industry Minister of Ghana, Ekwow Spio-Garbrah stated that the government of Ghana is weighing strategic options to streamline and protect the cashew industry from collapsing, and for that reason, banning foreigners from buying and exporting raw cashew nuts could be a possible choice.

He said: "Though no firm decision has been taken yet, there are so many regulations on the table that government and relevant stakeholders are reflecting on to put the industry on track – including a ban on foreigners from trading in cashew.

In addition, he stated, "Foreigners are largely involved in the cashew trade (buying and export); they also play intermediary role between farmers and processors". *(B&FT, 28.04.16)*

EAC Competition Authority

The East African Legislative Assembly approved US$587,565 for the Competition authority. The authority has jurisdiction in all the five partner states, while South Sudan will be covered at a later stage, as it is not fully integrated into the EAC.

East African Business Council economist Adrian Njau said as cross-border trade grows, a regional competition law becomes crucial to check unfair trade practices.

The East African Community Competition Authority (EACCA) will be operational from July 2016 with a mandate to curb unfair trade practices in the region and protect consumers from substandard goods. The authority will restrict trade practices and transactions that unduly limit fair competition.

(TEA, 18.06.16)

Investor-friendly Policies

Vice President of Ghana Paa Kwesi Amissah-Arthur said that the government will continue to ensure investor-friendly policies to attract investments from Trinidad and Tobago in the oil and gas sector. "Relations between Ghana and Trinidad and Tobago turn back to the period before independence. We hope that Ghana can benefit from the expertise that Trinidad and Tobago has developed, especially in local content for the oil and gas sector", he stated.

The Vice President disclosed that the government is currently looking for substantial investments that can be mobilised domestically and externally.

Moreover, the private sector also requires assurances that can only be guaranteed by political stability and a good business environment. The government is committed to providing these assurances. *(B&FT, 11.05.16)*

Zambia-Turkey MoU

Turkish Ministry of Foreign Affairs-African Division, Director General Hulus Kilic indicated that his government and the Republic of Zambia should finalise all memorandums of understanding (MosU) and legislation that will increase cooperation and trade between Zambia and Turkey countries. The trade between the two countries stands at US$32mn.

General Hulus Kilic stated this during a consultative meeting that he held with the Zambian Ambassador to Turkey Miriam Mulenga in Ankara.

He also said the two countries enjoy good relations that could be further strengthened by signing of agreements that would stimulate increased cooperation in various sectors.

(ZDM, 03.05.16)

UK-ATI Deal for Exports

Multinationals of UK will find it easier to boost their exports to Kenya after the UK Export Finance (UKEF), an export credit agency, signed a deal with the African Trade Insurance (ATI). The agreement will see the UKEF, which offers payment guarantees to UK exporters, gain access to information about upcoming opportunities for its clients as well as local knowledge of firms and projects.

ATI will also provide a platform to raise awareness among project sponsors and investors in African countries about the UKEF support available to Kenyan importers of UK goods and services.

(BD, 05.04.16)

Exploit Kenyan Markets

Zambia needs to increase trade with Kenya, as that country offers numerous business opportunities, which can contribute to mutual economic growth, Stanbic Bank Business Banking Head said that Kenya and the entire East African market provide ideal opportunities to Zambian businesses that are prepared to make long-term business commitments.

Opportunities exist in exploiting linkages into East Africa, particularly Kenya, which has improved governance, responsive regulatory measures and a stronger infrastructural environment.

Stanbic Bank hosted the first-ever East Africa trans-regional conference in Nairobi, aimed at bringing together commercial business clients from Zambia, Kenya, Tanzania, Uganda and South Africa. Zambia has huge trade opportunities from its landlocked position and Stanbic is exploring ways of unlocking these trade opportunities by connecting clients to markets that exist.

(ZDM, 16.06.16)

UK-Ghana Trade Deal

The UK Prime Minister's Trade Envoy to Ghana, Adam Afriyie has said the special relationship that exists between Ghana and the UK provides a unique platform that could be taken advantage of by businesses in the two countries.

Adam Afriyie, who is also the Member of Parliament for Windsor, (UK) at the launch of 'Business is Great' initiative in Accra, Afriyie disclosed that British companies have vast expertise that can really be of immense benefit to their counterparts in Ghana.

According to him, 'Business is Great' initiative seeks to highlight the UK capabilities in healthcare, technology, creative industries, education, extractives (including mining and oil and gas), Agri-technology, Financial, Legal and professional services. *(BF&T, 11.04.16)*

Kenya's Tea Futures Contract

Kenya, the world's biggest exporter of black tea, is considering introducing the world's first futures contracts for the leaves to help stabilise prices and enable growers to guarantee income from their production.

INTL FCStone Inc., based in New York (US), had discussions with industry representatives in the East African nations about introducing the derivatives, Stuart Ponder, Senior Vice President for Emerging Markets, stated.

The company has prepared a report for clients in Kenya on the securities' potential, Ponder stated. The Nairobi Securities Exchange is already planning to start trading equity-index and currency futures in the second half of the current year and will support the proposal.

(BL, 16.06.16)

Move to Reduce Imports

East African governments want to implement taxation measures that will see them make good their promise to promote local manufacturing and reduce importation of goods, particularly second-hand clothes and shoes. Steel rolling mills, textiles, animal feeds and leather benefit from increased duties meant to promote local industries.

Overall, the four countries increased their annual budgets for the 2016-2017 fiscal year, with the focus on increased taxes, even as the integration policies took backstage. Regional Finance Ministers have proposed taxation measures that seek to rope in the informal sector, which contributes about 55 percent of Sub-Saharan Africa's gross domestic product (GDP). *(TEA, 11.06.16)*

Regional Livestock Policy

Common Market for Eastern and Southern Africa has completed the development of a regional livestock policy to be implemented in partnership with the Regional Economic Communities. It will enable members to enhance innovation, generation and utilisation of technologies, capacities and entrepreneurship skills of livestock value chain actors in individual countries.

The implementation stages of member states vary according to priorities, with some being ahead in terms of improving production and productivity of their livestock sector.

Zambia is among the countries that will soon complete the enactment of their local livestock policies. The policy is expected to draw public and private investments along different livestock value chains, enhancing livestock production and animal health. *(DM, 28.06.16)*

Nigeria Oil in Crisis

Airlines plying the Accra-Lagos route have had to reschedule or cancel their flights altogether, following fuel supply challenges in Nigeria. Passengers have had to contend with delayed flights while some airlines still plying the route have had to reduce the number of passengers they transport from Accra, Ghana having filled their fuel tanks to avoid lifting fuel in Nigeria, the oil-rich West African country.

This is the 13th largest oil producer in the world with a daily output of some 2.4 million bbl, is experiencing shortage of oil products including the specialised aviation fuel for months now. It has recently been reported that outstanding debts, currency crisis, and fuel subsidy disputes are some of the major reasons for the fuel crisis. *(BF&T, 27.05.16)*

SADC to Mitigate Drought

Southern Africa needs to prepare bankable projects to cushion the region against the impact of the current drought on member states' water and energy development programmes. Southern African Development Community (SADC) Ministers of Energy and Water had a joint workshop to discuss impacts of the current drought on the energy and water sectors in the region and what remedies can be implemented.

They said implementation of priority infrastructure projects for hydropower and multi-purpose dams will accelerate regional industrialisation. To tackle the region's current power deficit, they agreed that there is need to implement incentives that encourage efficient energy and water appliances. *(ZDM, 28.06.16)*

Intra-EAC Trade Falls

Kenya, Uganda and Tanzania continue to dominate intra-East African Community trade even though its value fell from US$5.8bn in 2013 to US$5.63bn in 2014.

Intra-EAC trade is mainly dominated by agricultural commodities, such as coffee, tea, tobacco, cotton, rice, maize, and wheat flour and manufactured goods, such as cement, petroleum products, textiles, sugar, beer and salt.

Non-tariff barriers and double taxation for companies operating in two or more member countries are among key challenges facing businesses in the EAC regional integration agenda, according to the Kenya Private Sector Alliance. *(TEA, 18.06.16)*

TAZARA-SNCC Collaborate

The Tanzania-Zambia Railway Authority (TAZARA) and the Congo National Railways Company (SNCC), have agreed to jointly market services of the two firms to boost the volume of freight between the three countries. The joint marketing initiative is designed to enhance the volume of freight from Dar es Salaam to Zambia and the DRC.

Following the posting of improved service deliver, the two companies have agreed to aggressively market their services. These improvements have come as a result of changes of leadership in both railways as well as measures taken by the shareholding governments to stabilise and boost railway operations by injecting funds and equipment. *(ZDM, 24.06.16)*

Austria Assists West Africa

The Austrian Study Centre for Peace and Conflict Resolution (ASPR) has collaborated with the Kofi Annan International Peacekeeping Training Centre (KAIPTC) in the implementation of a training course on humanitarian assistance in West Africa (WA), with funding by the Austrian Development Agency (ADA).

The aim of the training course is to improve the responses to humanitarian challenges – for example, those caused by natural disasters, epidemics, violent conflict – in Africa with focus on the West African region.

The Austrian Federal Ministry of Defence and Sports (MoDS) supported the two-week training programme by seconding an Austrian Officer as course Director at the KAIPTC, in the person of Brigadier General Dr Alois A Hirschmug. The programme was an initiated in 2012. *(BF&T, 30.05.16)*

Adopting Flexible Regime

Nigeria's Central Bank is adopting a flexible foreign exchange rate regime in order to boost exports and stave off a recession in Africa's biggest economy. The Bank has previously kept a *de facto* peg of around 197 naira per dollar but that has become unsustainable due to a shortage of hard currency stemming from a slump in oil revenues. On the parallel market, the naira has fallen to some 40 percent below the official rate.

The Monetary Policy Committee (MPC) voted unanimously to adopt a flexible exchange rate policy to restore the automatic adjustment properties of the exchange rate. Details of the new rules would be shared with the public in due time. The Nigerian government said it would use a lower rate of 285 naira per dollar for petrol imports rather than the pegged official rate of 197. *(B&FT, 24.05.16)*

Poverty Levels High

Zambian government's abuse of Farmer Input Support Programme (FISP) has perpetuated high poverty levels in the country, stated the Centre for Trade Policy and Development (CTPD).

According to a 2015 agricultural budget analysis carried out by the Indaba Agricultural Policy Research Institute (IAPRI), it was noted that despite 56.7 percent of the total agricultural budget that goes to FISP and Food Reserve Agency (FRA), rural poverty remained above 75 percent.

Commenting on the development, CTPD Executive Director Isabel Mukelabai noted that both government programmes had been abused by successive governments for political purposes hence perpetuating high poverty levels in the country as evidenced by their poor performance in alleviating poverty among smallholder farmers.

(TP, 14.06.16)

Inflation Mounts High

Ghana's annual consumer price inflation rose to 19.2 percent in March 2016 from 18.5 percent in February 2016, pushed up by road transport fare increases, the statistics office has disclosed.

A major commodities exporter, in the West African country is implementing a three-year aid programme with the International Monetary Fund (IMF) in an attempt to remedy fiscal problems including inflation persistently above government targets. Road transport operators in Ghana announced a 15 percent hike in fares in late February 2016.

"Fares are linked to almost all market activities and locally produced goods and any change in those fares tends to have a direct impact on consumer prices", Ghana government statistician Philomena Nyarko said. For Razia Khan, Standard Chartered Bank's Chief Economist for Africa, the rise in inflation was a disappointing outcome.

(B&FT, 14.04.16)

ZABS in Greens Standards

The Zambia Bureau of Standards (ZABS) has drafted standards on various fruits and vegetables to help promote quality and safe products that are sold to consumers. In a press statement issued by ZABS Head of Marketing and Public Relations Hazel Zulu in Lusaka, the draft standards included fruits and vegetables like tomatoes, carrots, cabbage, oranges, bananas and pineapples.

The draft standards are based on international standards in order to promote regional and foreign trade. She further stated that the draft standards provided for product specifications and requirements for packaging, ripening conditions, storage and transportation of fruit and vegetables for all handlers. Zulu warned that fresh fruits and vegetables could pose a health risk to consumers if not properly handled. *(TP, 14.06.16)*

No Tariff Increment

The Public Utilities Regulatory Commission (PURC) of Ghana has said there has not been any increase in the existing Electricity and Water tariffs for the first quarter. A statement signed by Nana Yaa Akyempim Jantuah, Director, Public Relations and External Affairs of PURC, said that the Commission, using the Automatic Adjustment Formula, arrived at the decision considering the movements in the variables that underpin the Formula.

The AAF is a tariff mechanism that seeks to track and incorporate movements in key determining factors to reflect the cost of electricity and water every quarter. The following factors are considered in computing the AAF: Ghana Cedi US$ exchange rate; inflation; fuel mix (crude oil, natural gas, and distillate fuel) and generation mix (hydro and thermal).

(B&FT, 19.04.16)

Cheap Power Benefit

About 300,000 households and businesses will be linked to the power grid after the African Development Bank (AfDB) approved Sh13.5bn loan for a low-cost connection project. The project is targeting homes not connected to power and are within a 600-metre radius to a transformer.

The new loan will be used in the second phase where new transformers will be installed to connect homes that are far from power grid. Power consumers have the option of paying the amount upfront or in instalments through their monthly bills, removing a major hurdle to the acceleration of rural electrification.

(BD, 28.06.16)

Maize Meal Price Hike

Nearly 83 percent of Zambians believe that the price of mealie-meal is too high, while 42 percent said they can no longer afford to buy the nation's staple food, according to CUTS press statement issued in Lusaka.

In the last four months, the price of mealie-meal has increased drastically with people in some parts of the country buying the commodity for as high as K120 per 25 kg bag.

CUTS observed that continuous high mealie-meal prices pose serious health risks to a country where over 80 percent of the population lives below the poverty line. This inability to continue to afford mealie-meal in the future is particularly high among lower income groups.

(TP, 12.06.16)

Kenyans @ Health Risks

Nearly 80 percent of electronics sold in Kenya are counterfeit while 34 percent of medicines stocked in pharmacies are fake, according to a survey. This shows Kenyans are prone to health risks besides seeing the country lose more than Sh70bn annually, partly in unpaid taxes. Manufacturers incur losses of Sh50bn annually in sales revenue, the survey found.

Counterfeiting cartels use normal supply chains delivering with ease the fakes to formal retailers, such as supermarkets and pharmacies. Majority of Kenyans, according to the survey, cannot distinguish between the genuine brands and counterfeits regardless of education levels or age. *(BD, 28.06.16)*

Building a Coalition for African CSOs on Policy Advocacy

CUTS Nairobi (Kenya) has been working in partnership with Southern and Eastern African Trade, Information and Negotiations Institute (SEATINI) Uganda; Economic and Social Research Foundation (ESRF) Tanzania; and Association for the Defence of Consumers Rights (ADECOR); Rwanda, among other organisations in the EAC, to implement projects that have the end result of improving the citizen's welfare in the EAC partner states. The areas of focus of this coalition are diverse like trade and development, climate change, consumer protection, inclusive governance and competition.

There is a need to expand such a coalition on Sub-Saharan Africa (SSA) level and include the civil society organisations (CSOs) and think tanks from various regions. This becomes all the more relevant in the current scenario, when Tripartite Free Trade Area (TFTA) and Continental Free Trade Area (CFTA) is underway in Africa.

To initiate this idea, termed as the Africa Coalition on Trade and Economic Regulation (ACTER), CUTS Nairobi, organised a Directorate Level Meeting on May 06, 2016 in Kenya, Nairobi. The purpose of the meeting was to initiate a discussion for this idea at the SSA level, structure and other management issues. Various prospective actors for the coalition participated in the discussion. These include Kenya Small Scale Farmers Forum (KSSFF), SEATINI, ADECOR, ESRF, CUTS Lusaka, Zambia, CUTS Accra, Ghana etc.

To ensure this integration of the coalition, there is a need to be have a clear agenda set by the members and a Secretariat that ensures the tasks accomplished under the coalition is efficiently allocated amongst the members. This would help to synergise on individual members' years of experience on various issues and their expertise in various technical components, such as research, advocacy and networking. These notably, are some of the common strategies used by the members in their individual organisations to achieve their objectives.

The participants in the discussion felt that there was a need for expanding the scope of the partnership and include areas like: mobilisation of coalition members; development of coalition governance structure; development of coalition campaign strategy; and development of monitoring, evaluation research and learning framework.

The operational modalities for this initiative were discussed and deliberated. It was agreed that the coalition would strive to form a niche are to work on in order to impact the stakeholders at the grassroots. Further, the actors in the coalition, decided to identify the functional areas and work towards cementing the fundamentals for the coalition.

The groundwork for ACTER was initiated through a project called 'Integrating Voice of CSOs in Regional Integration in Eastern and Southern Africa' referred to as IVORI-III Project. The idea of the project was to build awareness and capacity of Non-State Actors in Eastern and Southern African countries, and establish a dynamic network to gather inputs and views for effective implementation of the TFTA.

CUTS Nairobi developed a forward-looking 'Engagement Framework and Action Agenda' that specifies roles and responsibilities of national governments, regional authorities, business community and CSOs in the region. This was shared with the three Regional Economic Communities (RECs), Common Market for Eastern & Southern Africa, East African Community and Southern African Development Community (COMESA-EAC-SADC) and with other developmental actors in the region, to create buy-in and establish synergies.

The aim of this 'Engagement Framework' was to help create a system for two-way movement of information from the beneficiaries to the implementers of the TFTA, and vice-versa.

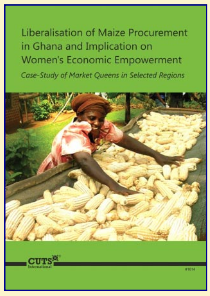
A Forum called Eastern and Southern Africa Civil Society Organisations' Network on Integration and Development (ESACSONID) was created under the IVORI-III project. The e-network constitutes of people/institutions involved in trade and regional integration.

This E-forum not only serves as a discussion and information dissemination forum on regional integration, multilateral trade issues and other trade matters, it also helps in keeping the members informed of the ideas being developed under ACTER.

Publications

Research Reports

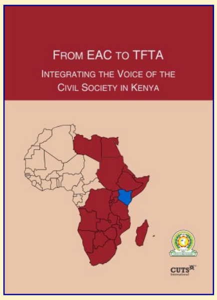
Liberalisation of Maize Procurement in Ghana and Implication on Women's Economic Empowerment Case-Study of Market Queens in Selected Regions



Ghana's domestic maize trade is largely dependent on a network of private women traders who dominate the local and regional markets while larger groups of wholesalers engage in spatial arbitrage across regions/districts. These women traders are referred to as 'Ohemaa' or 'Market Queens' (MQs).

The study presents analysis of liberalisation of maize procurement in Ghana and implication on women's economic empowerment. Specifically, the study examined the activities of market queens (MQs) and their contribution towards women's economic empowerment and employment opportunities, price setting mechanisms, types of support provided by MQs to the farmers, support of the state and perception of MQs on the effect of the introduction of the commodity exchange in Ghana.

http://www.cuts-ccier.org/CREW/pdf/ Liberalisation_of_Maize_Procurement_in_Ghana_$_Implications_on_Women_Economic_Empowerment.pdf



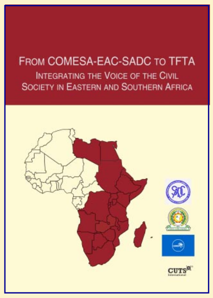
IVORI Reports

From EAC to TFTA Integrating the Voice of the Civil Society in Kenya

This research publication presents the state of involvement of Kenyan non-state actors, particularly CSOs, in the East African Community (EAC) and the ongoing TFTA initiative. The main finding of the Kenyan study is that the EAC has a working engagement framework in place with certain gaps both in design and implementation, which can be improved upon for non-state actors' engagement under the TFTA.

(http://www.cuts-international.org/ARC/Accra/IVORI/pdf/ From_EAC_to_TFTA_Integrating_the_Voice_of_the_Civil_Society_in_Kenya.pdf)

From COMESA to TFTA Integrating the Voice of the Civil Society in Ethiopia



Tripartite Free Trade Area (TFTA) was officially launched in 2015 to bring 26 African countries from Cairo to Cape Town under one market. While, the grand initiative is noble and in line with the Abuja Treaty that envisages for one African Economic Community, the integration process will have to incorporate voices of the marginalised as represented by CSOs and other Non-State Actors (NSAs), for deep and meaningful integration. African RECs are, most often than not, perceived as elitist and government-to-government cooperation, partly because of lack of participation from citizens of Member States. This research publication presents the state of involvement of Ethiopian NSAs, particularly CSOs, in the Common Market for Eastern and Southern Africa (COMESA) and the ongoing TFTA initiative.

http://www.cuts-international.org/ARC/Accra/IVORI/pdf/From_COMESA_to_TFTA-Integrtaing_the_Voice_of_Civil_Society_in_Ethiopia.pdf

Our Twitter Handle (@cutsafrica)

@cutsafrica June 30, 2016: Kenya's tea growers say hampered by high labour costs (50-60% of production costs) http://www.africanews.com/2016/06/29/kenyan-tea-growers-decry-high-labour-costs-in-the-sector/

@cutsafrica June 27, 2016: Africa can expect 100 megawatts electricity collectively from 3 renewable energy projects http://www.africanews.com/2016/06/27/3-african-renewable-energy-projects-to-share-7m-acf-prize/

@cutsafrica June 27, 2016: Post Brexit vote-consequences for Africa-Chain reactions could accumulate negatively http://www.africanews.com/2016/06/24/brexit-vote-what-will-be-the-consequences-for-africa/

@cutsafrica May 08, 2016: PM Modi`s new round of energy diplomacy and diaspora-outreach in Africa http://goo.gl/EHa4Gh

Sources

BD: Business Daily, B&FT: Business and Financial Times, BL: The Hindu Business Line, DG: Daily Graphic, DN: Daily Nation; GNA: Ghana News Agency, LT: Lusaka Times, TEA: The East African, ZDM: Zambia Daily Mail

Tradequity newsletter: Composed by **CUTS International Lusaka**, 6211, Bukavu Road, Thorn Park, Lusaka, Zambia, Ph: +260.211.294892, Fax: +260.211.294892, E-mail: lusaka@cuts.org, **CUTS Nairobi**, Yaya Court 2nd Floor, No.5, Ring Road Kilimani off Argwings Kodhek Road, PO Box 8188, 00200, Nairobi, Kenya, Ph: +254.20.3862149, 3862150, 20.2329112, Fax: +254.20.3862149, Email: nairobi@cuts.org, **and CUTS Accra,** 30, Ground Floor, Oroko Avenue, Near Central View Hotel & ATTC, Kokomlemle, Accra, Ghana, Ph: +233.30.224.5652, Email: accra@cuts.org. Published by **CUTS International, Head Office:** D-217, Bhaskar Marg, Bani Park, Jaipur 302016, India, Ph: 91.141.2282821, Fax: 91.141.2282485, E-mail: cuts@cuts.org, Web Site: www.cuts-international.org