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CFTA Negotiators Establish their Launch Pad

The first meeting of the Continental Free Trade Area-Negotiating Forum (CFTA-NF) held in February 2016 laid the groundwork for upcoming substantive negotiations on Africa's largest FTA. Negotiators are reported to have built the procedural foundation on which the CFTA negotiations will be conducted until the CFTA's 2017 deadline.

The CFTA is expected to build on the successes and commitments of the Tripartite Free Trade Area (TFTA). The TFTA comprises three largest regional economic communities (RECs) in Africa: the Common Market for Eastern and Southern Africa (COMESA); the East African Community (EAC); and the Southern African Development Community (SADC) in an integrated market with a total Gross Domestic Product (GDP) of about US$1tn. Launched in July 2015, TFTA was followed by the beginning of CFTA discussions. This first meeting of the CFTA-NF is the first negotiating session since the establishment of the TFTA.

The first meeting of the CFTA-NF kicked off on February 22, 2016 with a two-day workshop for Member States and other stakeholders in order to strengthen the capacity of chief negotiators on how to support trade negotiations. Experts discussed post-launch preparatory issues, essential process issues, and technical documents that will enable the negotiation process in the first consultation.

From Tripartite to Continental

The CFTA is a priority initiative under the African Union's (AU's) Agenda 2063, which has laid out a vision for the trajectory of African development during the following five decades with the aspiration for a prosperous Africa based on inclusive growth and sustainable development.

http://www.ictsd.org

Successful conclusion and implementation of a CFTA agreement encompassing all 54 AU member states could lead to a 52 percent (US$35bn) increase in intra-African trade by 2022 above a 2017 baseline scenario, if complemented with efforts to enhance trade related infrastructure and customs procedures and reduce transit and other trade costs, reveals UN Economic Commission for Africa (UNECA) research.

A CFTA agreement on trade in goods could begin with the TFTA and the Economic Community of West African States (ECOWAS) regional economic community, which already has a common external tariff, according to African trade coordinators Zodwa Mabuza and David Luke. The main implication of the TFTA for the CFTA is that the TFTA Agreement is presently part of the acquis of continental trade integration.

Hurdles before the Finish Line

The conflicting trade commitments of the various RECs involved in the process should be harmonised to establish a consistent CFTA, experts indicated. In addition, the trade agreements that African countries have established at the multilateral, regional, and bilateral-levels will need to be taken into accord while negotiating on the terms of the CFTA.

The 2017 deadline to establish the CFTA is dependent on the schedule of implementation of the Abuja Treaty. The Abuja Treaty, a roadmap to economic union in Africa through the progressive integration of RECs, forms the legal basis for the negotiations. Most RECs have also missed the 2014 deadline to establish FTAs, and consideration should be given to the effect of the adjustments of their calendars on the CFTA timeline itself.

The CFTA is a complex institutional and legal structure and the first CFTA-NF meeting is important for the technical preparations for the CFTA negotiations, as stated by representatives from the AU Commission, the New Partnership for Africa's Development, the African Development Bank, and UNECA. Further, to meet the CFTA's establishment deadline of 2017, negotiators will have to proceed effectively in their discussions throughout 2016. A procedural structure for discussions will be essential for the provisions of the CFTA to be worked out expeditiously, and the first meeting will be fundamental.

– This cover story has been abridged from www.ictsd.org, 29.02.16

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WB Warns Kenya for Debt Load

The World Bank (WB) has warned that Kenya's huge appetite for Chinese loans risks choking the economy on huge repayment burden. China's loans to Kenya have been growing by 54 percent a year between 2010 and 2014 with some of the credit having high interest rates, according to a research paper by WB economists.

In contrast, Kenya's loans from its traditional foreign markets of Japan and France stagnated or declined. The main borrowing pertains to the standard gauge railway (SGR) funding. In June 2015, Kenya's total stock of debt stood at Ksh2.8tn, accounting for 49.7 percent of the GDP. Half of the debt load or Ksh1.4tn was sourced from foreign markets. *(TEA, 25.03.16)*

New Formula for KBRR

Kenya is set to introduce a new reference lending rate for commercial banks in the following two months, in a move meant to bring down the cost of credit and boost private investment. The formula for the new Kenya Banks Reference Rate (KBRR) is expected to reduce the weight government borrowing has in calculating the reference rate.

A third parameter – the interbank rate – will be brought into the equation while the 91-day Treasury Bill rate will be retained. This is expected to ease the cost of credit because the interbank rate is a better measure of how much money is in circulation, unlike government borrowing, which usually reflects revenue deficits arising from poor collections or delayed remittances. *(TEA, 28.03.16)*

No Loans Due to No Cash

Commercial banks have stopped giving loans because of low cash levels and high interest rates prevailing on the market. And the Bankers Association of Zambia (BAZ) has warned that key sectors of the country will start getting hurt if the current high interest rates and lack of liquidity in the market is allowed to hold for too long.

BAZ Chairman Clergy Simatyaba explained that commercial banks in the country had stopped lending because they did not have cash to lend out.

"What is happening at the moment purely because in order to stabilise the local currency, monetary policy has been tightened and tightening of monetary policy means there is no liquidity in the market", Simatyaba said. *(TP, 09.12.16)*

IITA Invests US$5mn Annually

The International Institute of Tropical Agriculture (IITA), a non-governmental and non-profit making organisation involved in Research for Development (R4D) on tropical cash and food crops is to invest US$5mn annually in the agricultural sector and R4D efforts in Ghana. This was revealed by the Select Committee on Environment, Science and Technology in the Parliament in a report issued to the public.

The report further explained that the investment will be carried out through joint research programmes and projects. The investment also excludes remittances for salaries of local and international staff and operations, as well as administrative expenditures.

The IITA seeks to regularise its mutually beneficial relationship with government through a legal arrangement in the form of a Host Country Agreement, states the Select Committee report. *(B&FT, 29.03.16)*

AGI Lauds MOTI, Ghana

The Association of Ghana Industries (AGI) has lauded the initiative of the Ministry of Trade and Industry (MOTI) to restrict the importation of cement into the country. The association described the initiative as a bold one and designed to regulate the cement sector.

Seth Twum Akwaboah, the CEO of the AGI was of the view that any efforts by the government and its Ministries to protect the local industry was good and should be supported, given that the local cement industry has the excess capacity to produce cement.

Further, companies that wish to import bagged cement shall be issued a permit to avoid the chaos that has lately saddled the sector. *(DG, 31.03.16)*

Chinese Imports of Zambian Products to Rise

Chinese investment abroad is expected to exceed US$500bn. Chinese imports of Zambian products and investment in Zambia will accordingly continue to expand.

At the same time, China plans to increase overseas cooperation in production capacity and equipment manufacturing, which is beneficial for Zambia to speed up its industrialisation and urbanisation causes.

At the Johannesburg Summit of Forum on China-Africa Cooperation (FOCAC) successfully held in December 2016, the Chinese side announced that China would offer US$60bn of funding support to African countries including Zambia.

It can be anticipated that the cooperation potential between the two countries in the fields of infrastructure construction, energy, tourism, agricultural processing will be further released within the framework of FOCAC, creating more opportunities for socio-economic development of Zambia. *(http://zm.chineseembassy.org, 04.03.16)*

Stablising Zambian Economy

Recently, Zambian President Edgar Lungu threatened that he would be compelled to introduce price controls if businesses fail to reduce prices of goods. He also noted that price controls, as a way of countering high prices of goods and services in an economy, tend to only benefit the controllers.

"We have gone through this before in the United National Independence Party (UNIP) era and the only people who benefited from price controls were the price controllers because they were able to amass wealth by being paid, so that they ignore prices in the shops. They could go from shop to shop and they could be given something and those were the days of shortages of goods", stated Milupi.

(http://www.postzambia.com/news.php?id=13812#sthash.8CPtDrK2.dpuf)

French-Ghana Partnership

French investors from the Bordeaux Chamber of Commerce and Industry and the Municipal Council of Bordeaux visited Ghana to explore business opportunities as well as build concrete partnerships with local entrepreneurs.

The visit is a spin-off from a series of successful meetings held between a group of Ghanaian corporate, municipal and academic delegates and their Paris counterparts during Ghana President John Dramani Mahama's trip to France in 2015.

Those initial encounters resulted in partnerships between French and Ghanaian participants, which called for a return visit to Ghana to enable partners to explore business opportunities and facilitate concrete outcomes and agreements in economic sectors, such as agri-business, hospitality and tourism, education, healthcare, pharmaceuticals as well as energy, ICT, waste management and infrastructure. *(B&FT, 5.02.16)*

Local Industry Boosted in Ghana

Local industries of Ghana have received a major boost after the East African Community (EAC) relaxed the rules on goods made in Partner States. According to the revised rules of origin, goods made in Partner States will presently be sold duty-free.

The more accommodating rules of origin have been under discussion for a year, and are expected to promote locally manufactured goods to increase intra-regional trade. The products will be required to have a certificate of origin issued by the originating country, showing that they have a local content input of at least 30 percent, unlike previously when the threshold was set at 35 percent.

(TEA, 21.03.16)

31.6mn Ghana-EU Deal

Ghana and the European Union (EU) signed a financial agreement of 31.6mn for the new Ghana Employment and Social Protection (GESP) programme in Accra, Ghana. The programme will contribute to inclusive growth in Ghana by strengthening social protection and employment systems in the country.

This initiative will enhance social protection services, notably for vulnerable population groups, and generate decent employment opportunities with particular attention to the youth. Seth Terkper, Minister of Finance, Ghana said that the EU has an impressive record as far as support to Ghana's development agenda is concerned, and its interventions in the various sectors are highly commendable.

He also stated that the agreement is significant because it is the first direct intervention in employment and social protection and other previous interventions have been in road infrastructure and rural development.

(B&FT, 24.02.16)

Zambia-Angola Trade Deal

Zambia has signed a bilateral trade agreement with Angola to increase trade between the two countries. The trade stands at US$8mn in exports and US$175,000 in imports. The bilateral trade agreement will further exempt some products from customs duty.

Minister of Commerce, Trade and Industry Margaret Mwanakatwe, who signed for the Zambian government, said that the bilateral trade agreement will have a positive impact on the diversification programmes being pursued by the two countries.

This is according to a statement issued in Lusaka (Zambia) by Ministry of Commerce Trade and Industry permanent Secretary Kayula Siame Mwanakatwe stating that the agreement is designed to facilitate the expansion of trade between the two countries and further strengthen economic and political ties. *(TST, 29.02.16)*

Challenges for Zambian Economy

The current challenges facing Zambia's copper mining industry brought about by a global downturn and declining commodity prices are further fuelled with general hike in operating costs. Escalating input costs, labour and various taxation measures, together with the rising energy deficit have taken their toll.

The Zambian mining industry is collaborating to find a long-term strategic solution to promote the growth of not just the mining industry, but the economy generally. The outlook remains positive for copper demand to increase and for underlying market conditions to support higher prices from 2017/18, bringing in a new cycle of production.

Zambia Chamber of Mines (ZCM) President Nathan Chishimba has called for a considered approach by the government and industry to support high-growth in the mining industry and to create a diversified economy.

(ZMM, 17.02.16)

Joint Vehicle Tax Scheme – EAC

Motor vehicle and bulk steel imports destined for Uganda through Mombasa port will from April be cleared under a regional joint tax collection scheme. The Single Customs Territory (SCT) system that began in 2014 allows joint collection of custom taxes by the East African Community (EAC) partners to boost collections and tame dumping of goods.

Kenya, Rwanda and Uganda were the first to take up the SCT arrangement on phased-pattern starting April 01, 2014 with Tanzania joining the scheme two months later. The system is expected to be fully implemented by June 2016.

(TEA, 23.03.16)

Sh14bn Port for Trade Stake

China Roads and Bridges Company (CRBC) will build a modern Sh14bn port in Kisumu as Kenya targets a bigger maritime trade stake in the region. The port will be built under a government-to-government arrangement and as part of phase two of the standard gauge railway (SGR), which will link Nairobi to Malaba on the border with Uganda.

The plans to construct a new sea port and extend a branch of the SGR line being built from Mombasa is expected to boost economic activities in Kisumu and other satellite towns. Kisumu is deemed a critical hub for trade with neighbouring countries, such as Tanzania and Uganda and by extension Rwanda and Burundi as well as those in the Great Lakes region. *(BD, 23.03.16)*

Ghana-Turkey Agreements

Ghana and Turkey signed two agreements and Memoranda of Understanding (MoU) as part of Turkish President Recep Tayyip Erdogan's visit to the country. The bilateral agreements include, promotion and protection of investments on communications, while the MOU include; sports, energy and natural resources.

The MoU on investment, Energy and Natural Resources were signed by Madam Hannah Tetteh, Minister of Foreign Affairs and Regional Integration and her Turkish counterpart, while the MoU on Communications was signed by William Tavie, the Chief Executive Officer of National Communications Authority.

The Sports MoU was signed by the Minister of Youth and Sports. All signing agreements were witnessed by President John Dramani Mahama and President Recep Tayyip Erdogan. *(GNA, 02.03.16)*

Mineral Wealth for Investors

Over the past two decades, mining has become a focus for many African countries seeking to widen their wealth base away from just agriculture. During that period, Africa's economic fortunes have changed dramatically, driven by robust growth in mineral rich countries.

Africa boasts of large reserves of the world's most sought after minerals, such as bauxite, cobalt, industrial diamond, phosphate rock, platinum-group metals, vermiculite, zirconium and rare earths.

But the continent remains at the very foot of the technological and skills ladder that it needs to exploit the deposits opening a window for external players to get in. As part a 2014 deal with members of the COMESA, the Western Australian government is running a knowledge sharing programme across the fields of mining, petroleum and agriculture.

(BD, 17.03.16)

India to Invest in Malawi

The Minister of Industry and Trade, Joseph Mwanamvekha January 18, 2016, invited Indian business captains of industry to invest in Malawi. The Minister was speaking at the Partnership Conference held at the Harbour Park beach in Visakhapatnam, the coastal city of Andhra Pradesh in India.

Arun Jaitley, Minister of Finance, Government of India, inaugurated the Conference in the company of the Chief Minister of the State of Andhra Pradesh, Chandrababu Naidu; the Minister of Commerce and Industry, Nirmala Sitharaman and Trade Ministers from Africa and Asia. *(TT, 18.01.16)*

JICA to Support MSMSEs

The Japan International Cooperation Agency (JICA) has rolled out its Kaizen (improvement) project to build the capacities of Micro, Small and Medium Scale Enterprises (MSMSEs) in the Northern Region. It followed its successful pilot in the Ashanti Region (South Ghana) where more than 36 MSMSEs capacities were improved to increase productivity.

The programme would be implemented in three other regions after its successful operations in the Northern and Ashanti regions. Kaizen is a Japanese word, which means continuous improvement. It is used to describe a company's culture where each individual in an institution, from the Chief Executive Officer (CEO) to the front desk person regularly evaluate their work to improve on their performance. *(DG, 23.03.16)*

High Rates from Kenyan SMEs

Large banks in Kenya charging the small enterprises more in ledger fees, counter withdrawls, standing orders, bankers' cheques and transaction fees compared to medium and small banks.

Borrowers have not been keen on comparing the various charges across different banks, leading to a lack of competition when banks are setting tariffs. Other than the higher charged costs, SMEs have also been subjected to higher interest rates and collateral demands compared to large corporates when accessing credit from banks.

This is because the lenders perceive them as higher risk of default. Incidentally, majority of small firms in Kenya rely on bank loans for capital financing, putting their growth expansion at the mercy of lenders and fluctuating interest rates.

(BD, 16.03.16)

Fate of Pending Kenyan Matters

Delays in the approval of a new Board of the Privatisation Commission has triggered fresh concern on the fate of pending transactions including an urgent sale of the five sugar firms to enable the country survive intense competition when the industry is fully liberalised early in 2017. Kenya was in March 2015 granted one-year extension of sugar import limits from the regional trade bloc to revamp its ailing sugar industry.

A further extension was granted to March 2017 due to the strenuous process involved in revamping the industry that is bogged down by high cost of production. The government plans to sell a 51 percent stake in the five sugar companies to strategic investors and reserve another 24 percent for farmers and employees. *(BD, 20.03.16)*

Namibia Rakes US$1bn

Windhoek, capital of Namibia has raked in U$1.059bn from trade exports to the European Union (EU) almost twice as much as the U$643mn worth of goods imported from the EU for the year 2014/2015. In comparison, South Africa recorded a negative trade balance with the EU of about U$5 mn after exporting goods worth of U$20mn while importing goods worth about U$25mn.

Botswana, on the other hand, exported goods worth U$2mn while importing goods worth only about U$300 thousand over the same period. Latest statistics dated February 2016 from the European Commission in Namibia shows that 26 percent of the U$1.059bn came from the exportation of fish and crustaceans, molluscs and other aquatic products.

(http://southernafrican.news, 29.02.16)

Major West Africa Oil Projects on Hold

Oil firms have put major projects in West Africa on hold because of low prices – as they have across the globe – but when the market finally picks up, development is likely to recover much more slowly in the region than elsewhere. High costs bedevil the region, which includes established producers, such as Nigeria and newer entrants like Ghana.

Add to this long-standing problem of poor infrastructure, complex bureaucracy and politics and West Africa might be well down the list for any investment revival. A dive in oil prices since mid-2014 has forced international energy companies to postpone or cancel hundreds of billions of dollars in investment all over the world. *(B&FT, 19.02.16)*

Underdeveloped Port System

The Sub-Saharan African container port system in general remains underdeveloped in comparison to other port systems around the world. The main factors linked with this situation are the limited draft at many port sites.

This implies that many Sub-Saharan African ports (excluding South Africa) cannot accommodate ships of more than 3,000 TEU, and thus require services to transhipment hubs using smaller ships to access the global freight market.

Also, only a few ports in the Sub-Saharan countries besides South Africa are equipped with container cranes (Dakar, Mombasa, Lagos, Abidjan are among the few that have portainers) and yard equipment, implying that most of the operations are either done by lower capacity (mobile cranes) or ship-based equipment (geared ships). *(B&FT, 04.02.16)*

Retail Growth Potential

Kenya and Tanzania are among 10 countries with high potential for retail growth in Sub-Saharan Africa, but the lack of raw materials for the manufacturing industry could hold back progress, a report by PricewaterhouseCoopers (PwC) notes.

Consumer spending patterns in these countries are projected to almost double in the following three years, creating more business opportunities for the retail sector, including supermarkets and dealers in electronics and food and beverages.

However, it is the 'last mile' distribution that many Kenyan consumer goods manufacturers find frustrating, mainly due to poor infrastructure and the large number of small traders, often operating in the remote areas.

(TEA, 28.03.16)

ECOWAS on Valletta Action Plan

A meeting on implementing the Valletta Action Plan by ECOWAS member-states had been held in Accra, Ghana to deliberate on relevant issues regarding how to maximise the positives of migration to impact positively on the development of countries among others.

The Valletta Action Plan is built around five priority areas, which are development benefits of migration and addressing the root causes of irregular migration and forced displacement; legal migration and mobility; protection and asylum.

The others are prevention of and fight against irregular migration; migrant smuggling and trafficking in human beings and return; readmission and reintegration. In 2015, records indicate that 1million migrants, mostly West Africans arrived in Europe, with more than 2,000 lives being lost in the process.

(GT, 13.02.16)

Maize Movement Restricted

Ministry of Agriculture Permanent Secretary of Zambai Julius Shawa announced in Lusaka that the government has with immediate effect restricted the movement of maize and maize meal to between 06:00 hours and 18:00 hours.

Law enforcement agencies stated that they would confiscate any maize or maize meal transported beyond 18:00 hours. The restriction on the movement of the products is one of the measures the government has taken to ensure that the commodity remains available on the market to meet local demand and mitigate artificial shortages.

Other measures are limiting maize exports for pre-existing contracts to 227,245 tonnes. All such exports should be supported by valid export documents, which should be availed to law enforcement officers on demand.

(AA, 02.04.16)

Eskom Tariff Hike in SA

The National Energy Regulator of South Africa (NERSA) released a much-anticipated report detailing the reasons for a 9.4 percent Eskom tariff hike. NERSA said that the Regulatory Clearing Account (RCA) balance of R11.241bn would be recoverable from standard tariff customers, local Special Pricing Agreements (SPAs) and international customers in 2016/17 FY.

"The amount of R10.257bn would be recoverable from standard tariff customers for the 2016/17 FY only; the average tariff for standard tariff customers increased by 9.4 percent for the 2016/17 financial year only; R983m amount be recoverable from Eskom's local SPA customers and international customers for the 2016/17 financial year only; and Eskom must submit a new Multi Year Price Determination (MYPD) application, within three months, based on revised assumptions and forecasts that reflect the recent circumstances", report stated.

(AA, 29.03.16)

Roaming Charges to Drop

Kenyans are to incur less cellphone expenses while making a call to EAC countries. The region's five heads of state are scheduled to adopt a Council of Ministers' report on a framework to harmonise roaming charges at the 17th Ordinary Meeting in Arusha, Tanzania, that opens on March 02, 2016. "We intend to discuss policies on industrialisation that will see us improve our economies", Kenya's EAC Principal Secretary Betty Maina said.

The meeting is set to review roaming and international calling charges in East Africa, which are higher than those in Asia and Europe despite the pursuit of economic and political integration. Already, Kenya, Uganda and Rwanda are implementing the One Network Area to harmonise their calling rates on all networks. *(TS, 01.03.16)*

ECG to End Power Outages

The Managing Director of the Electricity Company of Ghana (ECG) Robert Dwamena has pledged to end the pockets of power outages being experienced in the country by end of the first quarter of the year.

He explained that the development is as a result of the inability of the power distributor to measure the actual demand of its customers due to the load shedding the country was undergoing.

Dwamena said that the ECG has acquired enough transformers to cease the outages, and that his outfit has been able to acquire enough transformers, over 2000 and that should be able to strengthen their network to make the system withstand the shortfalls. *(B&FT, 28.01.16)*

Benefit to EAC Miners

Small-scale gold miners in East Africa are being trained by Fairtrade Foundation, a UK-based charity organisation, to embrace safe working practices and eradicate child labour at mining sites.

Fairtrade said an initiative to minimise life threatening incidents associated with dangerous mining sites has brought artisanal and small-scale mining organisations (ASMSOs) from Kenya, Uganda and Tanzania on board.

Fair trade standards include protecting the environment by minimising use of mercury, promoting personal safety equipment, eliminating child labour and promoting better working conditions and equal treatment of men and women. Miners are required to extract gold from crushed ore using mercury in concrete pits to ensure toxins do not reach rivers and waterways. *(TEA, 26.03.16)*

CSRPM Cautions Consumers

The Executive Director of the Centre for Scientific Research into Plant Medicine (CSRPM), Augustine Ocloo, has asked consumers of herbal products – especially alcoholic beverages – to look out for the mark of efficacy on such products that has been given by scientific institutions before consuming them.

Ocloo added that it is not enough to depend on what advertisers say about a product in the media, but also what state institutions mandated to carry out research on such products have stated. Established by the government of Ghana in 1975, the CSRPM is one key institution that is mandated to, among other things, conduct scientific research into all medical herbs that are used in the country. In this connection, the Centre collaborates and works with herbal medicine practitioners and beverage production companies. *(B&FT, 31.01.16)*

Mealie-meal Prices Hit K135

Prices of mealie-meal in Chirundu and Ndola have gone up to K135 and K120 respectively. The country has been faced with persistent mealie-meal shortages and whenever the commodity is supplied to the needy places, consumers queue up to secure their share, as demand keeps escalating.

The price of mealie-meal in Chirundu has gone up, with a 25 kg bag of breakfast being sold at K135 while the same quantity at Ndola's Main Masala market was fetching between K115 and K120 in February, 2016.

In Lusaka, Mongu, Kalabo and Chipatamjj, a 25 kg bag is sold between K80 and K95 in the main outlets. Chingola, long queues formed at Antelope Milling Company depot, Shoprite Checkers and other shops that sell mealie-meal ran out of the commodity few days back. *(ZR, 31.03.16)*

Developing Strong RE Sector

The German ambassador to Ghana, John Rudiger, has pledged Germany's readiness to assist Ghana to develop a strong renewable energy sector as part of its contribution to the development of the country. The ambassador mentioned the establishment of solar energy demonstration centres at the Accra (Ghana) Polytechnics to help students to understand solar energy issues and relevance to the nation's development.

He announced this in Kumasi when he paid a courtesy call on the Vice Chancellor of the Kwame Nkrumah University of Science and Technology (KNUST), William Otoo-Ellis, to develop new partnership agreements in the areas of Science and Technology.

Otoo-Ellis commended the German government for its unflinching support towards the training of many Ghanaians, which had impacted positively on the nation's development. *(B&FT, 28.01.16)*

Voltic Tackles Waste Menance

Voltic Ghana Limited, in collaboration with Environment360, a non-governmental organisation (NGO), has launched the second phase of the polyethylene terephthalate (PET) plastics project to manage and reduce the plastic menace in the country.

The launch was marked with the placement of more than 20 PET waste collection containers for plastic waste only, at vantage points in Accra. Designed by Voltic Ghana Limited, the containers have been placed at shopping malls, gyms, selected gated communities and residential areas in the metropolis as a pilot project.

The Ministry of Local Government and Rural Development and agencies, such as the Accra Plastic Waste Management Programme are partnering Voltic and Environment360 in the project. *(DG, 22.03.16)*

Countering Climate Change

Climate change is one issue that is receiving attention from policy makers across the world because it poses a threat to food security and threatens to increase people's vulnerability to floods and droughts. This is expected to occur as the earth experiences changes in temperature, humidity and rainfall patterns. Climate sensitive sectors, such as agriculture, forestry, fisheries and tourism might find it more difficult to adapt to climate change.

In Zambia, the Government is alert to climate change and has been working with different partners in coming up with programmes and projects that offer solutions to the effects of climate change. One such project is Strengthening Climate Resilience in Kafue Sub-Basin (SCRIKA), which seeks to counter climate change through adaption and mitigation. Choma is among the 11 districts where SCRIKA is being implemented with support from the African Development Bank (ADB). *(www.daily-mail.co.zm/?p=63485/)*

Pursuing More Climate-aware, Trade-driven, Food Security-enhancing Agro-processing in East Africa

www.google.co.in

Esther is a single mother of two children living in a marginalised area somewhere in the EAC. She farms a small plot of land to earn a living. She grows sugarcane, and she wishes to transport this to a sugar processing factory quite far away. The roads are bad and the people providing transport are few, so she has to pay more than half of the revenue from selling the sugarcane for the transport.

In the current year, she has faced a drought, which crippled her harvest to a bare half of its normal size. She realises that she will not be able to pay for her two children's school fees unless she finds an alternative source of income. As time goes, another realisation comes creeping in. Due to drought, harvests have failed on a large scale in the area and there are signs that the food produced will not cover the needs of the local population.

This illustrative story was the key feature at the launch of a new regional project supported by Swedish International Development Cooperation (SIDA) and being implemented by CUTS International and its partners. Over the four years, this second phase of the project 'Promoting Agriculture, Climate and Trade Linkages in the EAC' (PACT EAC2) will build the capacities of East African stakeholders for climate-aware, trade-driven and food security-enhancing agro-processing development in the region.

The project inception meeting was held in Dar es Salaam from February 29 to March 01, 2016. In her keynote address, the Ugandan Minister of State for Environment Flavia Nabugere Munaaba said, "East African governments, alongside nearly 200 other governments, took a symbolic step in December 2015 in Paris. It is now in our hands to implement this historic universal agreement and our Intended Nationally Determined Contributions towards processes that are owned by our citizens and that are conscious of linkages between climate change, agriculture, food security and trade".

She was joined by Julius Ningu, Tanzanian Director of Environment speaking on behalf of the Deputy Minister of Vice President's Office, Union Affairs and Environment, who recalled: "the last report of the Inter-governmental Panel on Climate Change indicates that in the following decades, countries in East Africa may lose over 20 percent of their production capacity due to the ever-increasing climate vagaries".

Speaking on behalf of the Secretary-General of the East African Community Secretariat Amb. Richard Sezibera, Moses Marwa conveyed the support of the regional organisation to the success of the project and emphasised the relevance of the project for the regional agenda. He stated, "Agro-processing and agri-business is one of the priority sectors targeted by the EAC in the short term. Agro-processing and agri business sector is one of the prioritised sectors in which policy efforts will be directed to increase investment so as to improve competitiveness and value addition opportunities".

Fortunata Makene, Head of Research at the Economic and Social Research Foundation, welcomed the guests at the opening session of the meeting. Makene co-organised the event as the Project Coordinator for Tanzania. Johannes Svensson, Programme Manager at the Embassy of Sweden in Nairobi, joined her on behalf of the Swedish International Development Cooperation Agency. His powerful illustrative story of Esther provided the context for the meeting and the project.

Until 2019, the project will bring together, inform, train and move to advocacy action hundreds of stakeholders from the government, businesses, civil society, media, academia and farming communities. Soon, teams of national experts engaged by the project will analyse the interplay of agro-processing with climate change, trade and food security in each EAC country. Findings of their research studies will later inform sensitisation, training and advocacy activities towards developing lasting policy solutions for climate-aware, trade-driven, food security-enhancing agro-processing development.

The still infant agro-processing industry in East Africa has been earmarked in the EAC Industrialisation Policy as having huge potential for poverty reduction, growth and regional integration. But, the region's success in realising this potential will partly depend on its ability to factor in the ever-increasing challenges posed by climate change, and work in synergy with its own trade agenda.

In an ideal scenario, trade policies should ensure the availability of inputs despite climate change, markets for the processed products and access to cleaner technologies; while climate change policies support this effort through targeted adaptation and mitigation initiatives. "The role of international trade and climate negotiations in framing the policy space for such policies should not be overlooked", said Julien Grollier, Programme Officer at CUTS Geneva while presenting the project.

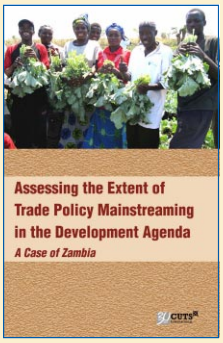
To this effect, the project has established two regular forums for trade (WTO) and climate (UNFCCC) negotiators respectively. Besides, the on-demand availability of CUTS' technical expertise, negotiators will benefit from country updates whereby people on the field will provide them with a snapshot of the current ground realities.

The launch event brought together key regional players to bring them on board and start identifying important elements to be addressed by the upcoming project research.

Publications

Research Reports

Assessing the Extent of Trade Policy Mainstreaming in the Development Agenda: *A Case of Zambia*

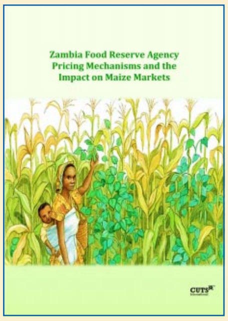


The potential for trade to positively contribute to national development has long been identified the development discourse in countries across the globe. The challenge for many least developed countries (LDCs) has been to actualise this potential through identification of trade priority needs, formulation of clear trade and industrial strategies and incorporation of trade related issues in national development planning. This study is motivated by the fact that presently, even though Government has identified trade as an important driver for development under the Enhanced Integrated Framework (EIF) implementation in Zambia, there is currently no existing literature on the extent to which trade mainstreaming has occurred in Zambia.

The current review of Zambiaís Diagnostic Trade Integrated Study (DTIS), which identifies trade priority sectors makes this study all the more relevant as it attempts to reveal the state of play of trade mainstreaming in national development planning.

http://www.cuts-international.org/ARC/Lusaka/BETAMPOR/pdf/Assessing_the_Extent_of_Trade_Policy_Mainstreaming_in_the_Development_Agenda.pdf

Zambia Food Reserve Agency Pricing Mechanisms and the Impact on Maize Markets



This paper investigates, and provides an understanding of Food Reserve Agency (FRA)'s pricing mechanisms in the maize markets in Zambia by assessing: (i) FRA's rationale for setting a maize floor price; (ii) the price determination process and (iii) the floor price effect in maize markets in the country. Analysis shows that setting a floor price in maize markets is based on welfare and political concerns, and is aimed at providing adequate production incentives and stabilising maize prices for farmers. The paper hypothesises three major factors to influence price determination by the FRA in particular years before, during and after elections and expected sales. The paper found that a one percent increase in expected sales leads to a 0.5 percentage increase in FRA price and a 1.7 percentage increase in quantities purchased. Further, FRA buys about 1.5 times more maize in an election year than in other years.

The paper also found that while FRA's interventions have been based on welfare concerns, they are regressive and harm a large proportion of rural households (who are net buyers of maize in Zambia). Finally, it is revealed that FRA maize floor pricing activities have crowded out key private sector players in the maize markets, thereby reducing options (choice) available for farmers to sell their produce. *http://www.cuts-ccier.org/CREW/pdf/Zambia_Food_Reserve_Agency_Pricing_Mechanisms_and_the_Impact_on_Maize_Markets.pdf*

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Sources

AA: All Africa, BD: Business Daily, B&FT: Business and Financial Times, DG: Daily Graphic, GNA: Ghana News Agency, GT: Ghanaian Times, TEA: The East African, TS: The Standard, TST: The Southern Times, TT: The Times, ZMM: Zambian Mining Magazine

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