Tradequity

A Newsletter of CUTS Africa

Year 18, No. 4/2019

West Africa Renames CFA Franc but Keeps it Pegged to Euro

West Africa's Monetary Union has agreed with France to rename its CFA franc the Eco and cut some of the financial links with Paris that have underpinned the region's common currency since its creation soon after World War Two.

Under the deal, the Eco will remain pegged to the euro but the African countries in the bloc would not have to keep 50 percent of their reserves in the French Treasury and there will no longer be a French representative on the currency union's board.

Critics of the CFA have long seen it as a relic from colonial times while proponents of the currency say it has provided financial stability in a sometimes turbulent region. "This is a historic day for West Africa," Ivory Coast's President Alassane Ouattara said during a news conference with French President Emmanuel Macron in the country's main city Abidjan.

The CFA is used in 14 African countries with a combined population of about 150 million and US$235bn of gross domestic product (GDP).

In 2017, Macron highlighted the stabilising benefits of the CFA but said it was up to African governments to determine the future of the currency.

"Yes, it's the end of certain relics of the past. Yes, it's progress ... I do not want influence through guardianship, I do not want influence through intrusion. That's not the century that's being built today," said Macron. The CFA is used in 14 African countries with a combined population of about 150 million and US$235bn of GDP.

However, the changes will only affect the West African form of the currency used by Benin, Burkina Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal, and Togo - all former French colonies except Guinea Bissau.

The six countries using the Central African CFA are Cameroon, Chad, Central African Republic, Congo Republic, Equatorial Guinea, and Gabon, - all former French colonies with the exception of Equatorial Guinea.

The CFA's value relative to the French franc remained unchanged from 1948 through to 1994 when it was devalued by 50 percent to boost exports from the region.

After the devaluation, 1 French franc was worth 100 CFA and when the French currency joined the eurozone, the fixed-rate became 1 euro to 656 CFA francs.

The agreement follows talks in Nigeria's capital Abuja between West African leaders. Countries in the CFA bloc and other West African nations, such as Nigeria and Ghana have for decades debated creating their own currency to promote regional trade and investment.

The CFA franc was born in 1945 and at the time stood for "Colonies Francaises d'Afrique" (French Colonies in Africa).

It now stands for "Communaute Financiere Africaine" (African Financial Community) in West Africa and in Central Africa it means "Cooperation Financiere en Afrique Centrale" (Financial Cooperation in Central Africa).

Ange Aboa, Journalist, Reuters India. The article that appeared in Reuters India on December 22, 2019.

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Promoting ICT Access in Ghana

Huawei and **Zambia** have continued to enhance cooperation in the Information Communication Technology (ICT) sector aimed at promoting ICT access across the country in line with the China-Africa Cooperation Beijing Action Plan 2019-2021.

Zambia's Consular General in Guangzhou, China Daniel Chisenga noted that the Zambian government realises that ICT has the potential to contribute to the overall economic growth of the country as it is an enabler of the growth of several other sectors of the economy such as agriculture, agro-processing, education, manufacturing, health, tourism among others.

Chisenga said the Zambian government has identified ICT as a catalyst for socio-economic development by promoting competitiveness as well as being an enabler of good governance.

(ZR, 26.11.19)

More Pie for Zambian Contractors

Every developed country on the globe can attest that it takes citizens to develop a country. It can also be said that **Zambia** can only develop if more Zambians participate in economic activities.

Zambian President Edgar Lungu has been keen on bringing more Zambians on board to take part in the country's economic activities. The government formulated a policy that requires that a minimum of 20 percent of all government-funded road contracts awarded by the Road Development Agency (RDA), local authorities and other government institutions be executed by Zambian-owned companies. *(ZDM, 05.10.19)*

BoG Maintains Policy Rate

For the fourth time in 2019, the Monetary Policy Committee of the Bank of **Ghana** (BoG) has maintained the policy rate at 16 percent. The decision to maintain the rate was a result of some threats to both inflation outlook and economic growth.

This was announced by the Governor of the Bank of Ghana (BoG), Ernest Addison while addressing the media after the 91st Monetary Policy Committee (MPC) meeting in Accra.

He added that the threats to inflation were broadly balanced hence the need to maintain the policy rate at 16 percent. He said the Committee noted the synchronised growth slowdown across advanced economies and its potential spillover effects on emerging markets and developing countries. *(B&FT, 26.11.19)*

Smart Solar Pumps to Use Big Data

Solar pumps mapping underground freshwater reservoirs across Africa are collecting data that can help prevent their depletion. Manufactured by British social enterprise Futurepump, the solar pumps used by smallholder African farmers, including **Kenya** and Uganda, as a cleaner, cheaper option to diesel and gasoline-powered ones.

The pumps' sensors record real-time data, such as energy usage and pump speed in each location, this is shared with the International Water Management Institute (IWMI) to calculate groundwater extraction rates and levels. IWMI plans to use the data to calculate how much water is being extracted at any given time, which can help governments ensure it is used sustainably.

(SD, 18.12.19)

Kenya's Debt Triples

The World Bank has warned **Kenya** against piling up more debt than the country can repay. A World Bank report warns that Kenya is drifting towards debt distress, owing to the government's huge appetite for expensive loans.

The Kenyan Parliament approved the National Treasury's push to raise the borrowing cap from about 50 percent of gross domestic product (GDP) to an absolute figure of Ksh9tn.

Public debt stands at 62 percent of GDP and could hit 70 percent of GDP in the near future if the government continues to borrow at the current rate, ultimately meaning that Kenya would have crossed the threshold to debt distress.

(TEA, 12.10.19)

Zambia-UAE Relations

Mohammed Saif Al Suwaidi, Director General of Abu Dhabi Fund for Development (ADFD) and **Zambian** President Edgar Lungu discussed ways to strengthen relations between the UAE and Zambia across areas of mutual interest.

The meeting also examined ways of driving sustainable economic development between the Fund and the Government of Zambia.

Al Suwaidi said that ADFD is always keen to conduct exploratory meetings with strategic stakeholders and identify key development opportunities that work to advance the implementation of the United Nation's Sustainable Development Goals." *(TM, 27.11.19)*

Ghana's Potential for Growth

Ghana's economic growth has been strong over the past decade, with annual GDP per capita growth at an averagely 4.4 percent between 2006 and 2017.

Growth, however, has been heavily concentrated in the natural resources and commodities sectors, which has had an impact on job creation. This was said at the presentation of a World Bank report in Accra dubbed, "Realising Ghana's Potential for Economic Diversification to Create More, Betters jobs."

The report revealed that Ghana's productivity levels were relatively high in the African context, although they lagged behind most other lower-middle and middle-income countries. *(CNR, 11.12.19)*

AGI Partners GUTA to Boost Trade

The Association of **Ghana** Industries (AGI) is looking forward to a partnership with the Ghana Union Traders Association (GUTA) in a move that is believed will boost local production as well as halt the importation of some goods that are already on the Ghanaian market.

The two institutions are of the view that some products like cement, steel, iron rods, pharmaceuticals and others that are produced locally in adequate capacity do not need any foreign competition on the market, hence the need for the partnership.

The challenging situation is, there are some industries in Ghana that have enough capacity to produce and even export items like cement, but there are lots of cement that are being imported which is definitely affecting the local industry.

(B&FT, 12.11.19)

Exposing Mukula Cartel

Alexander von Bismarc, Zambian Executive Director of the Environmental Investigative Agency (EIA), has been busy since he issued and published, internationally, his earlier report: "Mukula Cartel – How Timber Trafficking Networks Plunder **Zambian** Forest."

It is clear that he wishes that his poorly documented and discredited report on mukula trade in Zambia should gain international traction against the Zambian government for his own purposes, objective and intent.

He is now constantly tweeting numbers and figures on the alleged loss to Zambia of what he calls Illegal mukula trade by the "Mukula Cartel".

(ZDM, 16.12.19)

E-commerce to be Taxed

Kenya will start levying a new tax on digital markets under a new law signed by the President in November 2019. The Finance Act seeks to broaden the Income Tax Act net to include the income accruing through a digital market place.

In addition, a similar change has been made to the value-added tax (VAT) making digital market services subject to VAT. Kenya's move to tax online commerce could put it on a collision path with Western governments and multinationals.

One of the market leaders – Uber warned the government that such a move could result in trade wars and retaliatory tax actions by the US.

(TC, 08.12.19)

Intervening in DRC Trade Impasse

The **Zambia** Association of Manufacturers (ZAM) and Trade Kings, one of the leading manufacturing companies, have asked the government to quickly intervene in the trade impasse at Kasumbalesa border between Zambia and the Democratic Republic of Congo.

More than 1, 000 jobs at Trade Kings still hang in balance following the continued ban on importation of Zambian goods into the DRC and about US$400,000 is being lost on a daily basis since the ban was instituted.

ZAM President Roseta Chabala said that the situation calls for government's intervention so that trade between the two countries is not adversely affected.

(ZDM, 10.11.19)

Boosting Trade & Investment

The launch of the **Zambia**-Angola Chamber of Commerce and Trade is expected to boost trade and investment relations between countries, Zambia's Ambassador to Angola Lawrence Chalungumana said.

Chalungumana said the launch of the partnership will promote trade and investment as the two countries look to accelerate intra-African trade.

In 2017, trade between the two countries stood at only US$20mn and was in favour of Zambia, which exports mainly agricultural produce.

(ZDM, 15.10.19)

Kenya Losing Position

According to the East African Community (EAC) Trade and Investment Report (2018), conducted by EAC Secretariat, in partnership with TradeMark East Africa, **Kenya** is quickly losing its position as the EAC exports powerhouse.

Nairobi-manufactured products find it difficult to compete with cheaper imports from China and India and those produced by regional rivals, shrinking Kenya's share of exports to its EAC neighbours.

An increase in counterfeits, non-tariff barriers (NTBs), amongst other challenges, have rendered Kenyan products less competitive in the market. Kenya's exports to EAC partner countries are facing new threats posed by regional manufacturers who have upped their game in the production of similar products.

(TEA, 26.11.19)

Alan Kyerematen Hosts African Trade Ministers

Ghana, under the auspices of the Ministry of Trade and Industry, played host to African Ministers of Trade from the African Union member states during December 09-15, 2019 at Accra International Conference Centre. The period saw the holding of a series of meetings on Africa Continental Free Trade Area (AfCFTA) and other trade and investment-related issues.

At the Council of Ministers Meeting, attention was paid to the consideration of the report of the meeting of the Senior Trade Officials as well as consideration of work plans and budgets of the interim AfCFTA and the permanent Secretariat.

These meetings are of particular relevance to the country considering the fact that Ghana is the host of the AfCFTA Secretariat.

(GW, 08.12.19)

Promoting Ghana-Japan Trade

A six-member **Ghana**-Japan Business Promotion Committee (GJBPC) was officially inaugurated in Accra, to strengthen partnerships, deepen trade relations and attract the requisite technologies and capital investment that would be mutually beneficial to both countries.

The inauguration also marked its maiden meeting to enable members of the Committee to hold bilateral discussions and enhance the business climate between the two countries.

The Committee comprised representatives from the Ghana Investment Promotion Centre (GIPC), Ministries of Trade and Industry, Finance, Foreign Affairs and Regional Integration and Business Development as well as the Japanese Embassy in Ghana.

(GNA, 09.11.19)

Opportunities for Zambia-China

China said that its relationship with **Zambia** was now standing at a new starting point and embracing new opportunities for development.

Li Jie, Chinese Ambassador to Zambia said in his reflection of 55 years since the establishment of a diplomatic relationship that the two countries have embarked on a distinctive path of win-win cooperation and that China was satisfied with the development of bilateral relations.

The Chinese envoy noted that China will work with Zambia to speed up the implementation of the outcomes of the Forum on China Africa Cooperation (FOCAC) summit, jointly enhance Belt and Road cooperation, and play a leading and exemplary role in working together toward an even stronger China-Africa community with a shared future.

(Xinhua, 24.10.19)

Ghana-China Deepen Trade Ties

Ghana and China have affirmed their resolve to deepen trade, cultural and diplomatic relations for their mutual benefit. The Speaker of Parliament, Professor Aaron Michael Oquaye, and the Chinese Ambassador to Ghana, Shi Ting Wang, made the pledge in Accra.

Oquaye said Ghana's Parliament was ready to develop a closer relationship with the Parliament of China. He said the Parliamentary Service Board had decided that Parliament would not just be a spending institution but also a finance-generating one.

He expressed the hope that the Ghana-China Friendship Association in Parliament would secure Chinese investment to Parliament to strengthen the institution.

(CNR, 02.12.19)

New Trade Agreements

Trade, Industrialisation and Cooperatives Cabinet Secretary Peter Munya revealed in Nakuru that Kenya was negotiating with 44 African states for a new Free Trade Area for its agricultural and industrial products targeting a market of one billion people.

The target countries are expected to assent to the Free Trade Area Treaty by July 2020 which will enable trade and other commercial activities to kick off among member states signatories to the agreement.

He stated that Kenya had entered into a new trade agreement with the US where the two countries' bilateral engagements had been upgraded to strategic status.

(KBC, 05.12.19)

Kenya-UAE Trade to Set

The **Kenya** National Chamber of Commerce and Industry (KNCCI) will set up a trade command base in the United Arab Emirates.

KNCCI President Richard Ngatia said the Chamber would sign several Memoranda of Understanding (MoUs) with many countries and chambers across the globe and that UAE had accorded the chamber 5,000 square feet office floor which would assist small and medium-sized enterprises to enter into trade partnerships with companies in the country.

With this signing of MoU, the Chamber is optimistic of more trade deals as local companies move into that region and buy goods in tax-free trade zones.

(DN, 24.11.19)

AGI Preaches Specialisation

For the country to benefit fully from the AfCFTA, there is need for it to focus on sectors where it has a competitive advantage, the AGI has advocated.

While the AGI believes there is a general need for strengthening capacity across all sectors, it said more attention must be given to areas like aluminum, textiles and garments, agro-processing among others, where Ghanaian industries already have an upper-hand over their continental peers.

(B&FT, 28.10.19)

One-Stop Border Post to Ease Trade

Tanzanian President John Magufuli and his **Zambian** counterpart Edgar Lungu launched a one-stop border post on the two countries' border in the southern highlands to facilitate trade.

The construction of the US$6mn state-of-the-art border post at Tunduma in Tanzania and Nakonde in Zambia was financed by TradeMark East Africa, an organization that aims to improve trade competitiveness in East Africa by reducing transport time and costs, and improving the trade environment.

President Magufuli directed relevant authorities, including the Tanzania Revenue Authority and the Immigration Department to ensure that they removed all hurdles that frustrated doing business between the two countries and the southern African region at large, said the statement.

(Xinhua, 10.10.19)

Zambia-DRC Seal Maize Deal

The Zambian government had signed a deal to export to 600,000 metric tonnes of maize to the neighbouring Democratic Republic of Congo from 2020. Zambia's Agriculture Minister Michael Katambo said the deal signed in Lusaka between the two governments will also cover other commodities.

"The exports under the MoU will start in 2020, as Zambia is coming from a bad season and currently does not have enough maize stocks to accommodate exports," Katambo said after the signing.

Under the deal, Zambia will also export mealie-meal, the country's staple food, which was 'largely' being smuggled into DR Congo.

(www.allafrica.com, 02.10.19)

ECA's Regional Integration

About 300 decision-makers and economic stakeholders, including 14 African countries served by the ECA's East Africa Office, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Somalia, and South Sudan, kicked off a high-level meeting on regional integration in Asmara, Eritrea amid call to sustain regional integration.

The meeting emphasised augmenting regional integration as a vital imputes to sustain the exceptional economic growth experienced by East Africa over the past decade. The meeting, which is being held under the theme "How to Leverage New Opportunities for Regional Integration," is a flagship UN Economic Commission for Africa (ECA) annual meeting focusing on East Africa. *(Xinhua, 05.11.19)*

Food Reserve Stock Increased

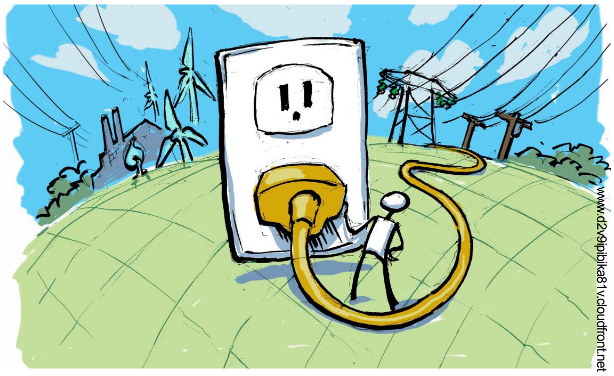
The government has pledged to contribute 2000 tonnes of maize and rice in equal proportion towards the stocking of the Regional Food Security Reserve (RFSR) by the Economic Community of West African States (ECOWAS).

The Deputy Minister of Food and Agriculture in charge of annual crops, Sagre Bambangi said that the move for the National Food Buffer Stock Company to lead the process was to demonstrate the country's commitment to helping sustain the regional food reserve following the expiration of the European Union (EU) five-year support programme.

(CNR 02.12.19)

Power Supply Still a Problem in the SADC region

Power supply system in the SADC region was down since early 2019 and is still down. Most countries are still not able to produce surplus electricity to trade within the region. And this was mainly caused by the drought-induced low water levels at Kariba dam.



SADC power supply chain is a grid. Once one country is affected, other countries will be affected too. Zambia and Zimbabwe were affected by the low water levels at Kariba dam that reduced the generation of hydro-electricity.

Zimbabwe has for the past seven months been going through power supply shortages that have led to 16 hours of power cuts, despite importing power from Mozambique's Cahora Bassa and South Africa's Eskom. Zambia is still going through power supply shortages as well. *(TST, 18.12.19)*

SADC to Retrospect on 2019

As the curtain comes down in 2019, it is time for the SADC region to retrospect and reflect on achievements made and challenges encountered during the year with a view to overcoming these in the coming year.

Probably the biggest achievement was on the political front where the region proved once again that it has come of age in as far as democracy is concerned.

The year saw elections being successfully held in Botswana, Malawi, Mozambique, Namibia and South Africa. These polls were held in a peaceful environment and in accordance with the SADC and the African Union principles governing democratic elections.

(TST, 17.12.19)

Rwanda-Uganda Feud

Rwandan and Ugandan officials met in Kampala to discuss the implementation of a pact aimed at ending tensions between the two countries. The meeting was attended by Angola and DR Congo officials who were the facilitators to the Luanda agreement.

The meeting aims to concretise the issues in the Memorandum of Understanding signed in Luanda, Angola in August 2019 and fast-track the implementation of an agreement signed by both President Paul Kagame of Rwanda and President Yoweri Museveni of Uganda to end two-year-long hostilities caused by cross border wars, between the neighbors. Business communities in both countries have experienced great losses.

(TEA, 13.12.19)

Border Closure Condemned

ECOWAS Parliament has reportedly supported Nigeria's decision to close its land borders. The new development was made known by Ahmed Wase, First Deputy Speaker of the ECOWAS Parliament.

Wase added that the aim of the border closure is to aid local manufacturers. According to him, Nigeria will only re-open its land borders when its neighbouring countries fully abide by the ECOWAS Trade Liberalization Scheme (ETLS).

The ELTS is the agreement that binds all member states of ECOWAS together and it was put in place to promote the entrepreneurial and economic development of the region. Reports, however, indicate that the neighbouring countries have breached the agreement.

(GNA, 28.11.19)

Plastic Pollution Worries Ghana

Plastics have become necessary in our daily lives because their benefits are undeniable across sectors, from households, medicine, clothing, agriculture, transport, etc. As we use them to make life easy, we must think of the end of the life of plastics, as they also have expiry dates.

Most plastics are made from fossils, that is, petroleum, and as **Ghana** is discovering large quantities of oil by the day, it means in a global and circular economy, plastics will reign for sometimes, if not for a long time.

Single-use plastics, such as drinking straws, shopping bags, plastic drinking containers, plastic bottle caps, food packaging, among others, have been and are indiscriminately disposed of in an unfriendly and unsightly manner. This affects our environment and obviously our health. *(DG, 02.12.19)*

Charcoal: A Burning Issue

Studies have identified charcoal production as one of the main drivers of deforestation and forest degradation in **Zambia**. The traditional methods of making charcoal lead to high carbon emissions and are a waste of wood resources.

Under the lead of Mercy Mupeta Kandula, the provincial Forestry Officer for Choma, together with the Forestry Department of the Ministry of Lands and Natural Resources in Zambia and the Forest and Farm Facility, charcoal producers have been educated on the illegality of charcoal burning and trained in improved methods. *(UN, 27.12.19)*

Aflatoxin Contamination

The 'White Alert' exposé by NTV Investigations Desk on aflatoxin contamination of maize products caused a wave of panic and concern for **Kenyans**.

The exposé highlighted the dangerously high amounts of fungi, which is known to cause chronic cancers in humans including acute liver damage, liver cirrhosis, and liver cancers as well as toxicity in animals.

Aflatoxin can also be found in all cereals and other foods including nuts, vegetable oil, some fruits and vegetables, eggs, meat and milk. It also emerged that over the past two decades the government and its agencies had presided over the slow aflatoxin-poisoning of Kenyans. *(DN, 11.11.19)*

Video on Kabwe's Toxic Lead

Young environmental activists in **Zambia** released a new video to call attention to the longstanding problem of lead poisoning in Kabwe, where more than a century of mining impacts led to environmental disaster and lasting health consequences disproportionately affecting children.

The video, produced in partnership with Environment Africa, was released in connection with the 30-year anniversary of the United Nations Convention on the Rights of the Child.

In the video, youths in Kabwe are calling upon the duty bearers to play an active role in addressing this problem which is negatively affecting children's right to live in a clean and safe environment. *(AT, 19.11.19)*

Non-Implementation of Standards

The Director-General of the **Ghana** Standards Authority (GSA), Professor Alex Dodoo, has decried the inability of regulatory bodies to enforce standards across almost all sectors, resulting in serious health, safety and security implications.

He said although the GSA had developed enough standards to ensure public safety and consumer protection, enforcing them remained a big challenge because it lacked the resources to publicise those standards.

He said currently Ghana had about 3,900 standards, out of which 1,600 were indigenous and the rest international standards adopted, but enforcement was difficult because of the lack of public awareness. *(DG, 14.10.19)*

Tobacco Control Board Fund

Manufacturers of tobacco products in **Kenya** will start contributing two percent of the value of the tobacco products they manufacture or import in a given financial year to assist the State in dealing with the adverse effects of tobacco consumption.

A Tobacco Control Fund Board is to be established to manage the funds; which will be used to support and improve health programmes.

The regulations are intended to safeguard the public, and to provide certain information with regard to the contents of tobacco products, to ensure that consumers are fully aware of the nature and content of the tobacco products that they consume. *(DN, 23.12.19)*

Climate Change and Ocean Economy

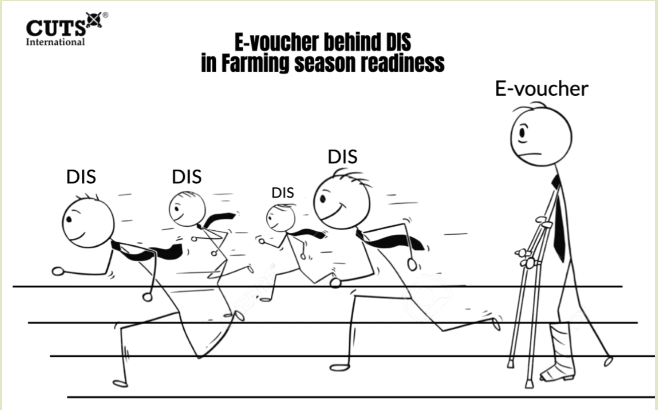
Overfishing and illegal fishing are not the only factors contributing to dwindling fish stocks in the once fertile waters of West Africa.

Some West African countries are forecast to see their fish stocks decline by 85 percent in the coming decades due to unabated climate change, according to a first-of-its-kind analysis into country-by-country climate impacts on key ocean sectors.

The report entitled, 'The expected impacts of climate change on the ocean economy", commissioned by the High-Level Panel (HLP) for a Sustainable Ocean Economy, assessed global to local climate impacts on three of the largest sources of ocean-based revenue and jobs, coral reef tourism, wild capture fisheries and marine aquaculture. *(GNA, 08.11.19)*

E-voucher Delays: How and why they matter?

While much of the country is waiting for rains to cool the current heatwave, many farmers under the e-voucher are hoping they will hold. Our recent field visit to e-voucher districts in Lusaka and Southern Provinces found delays in crediting farmers with funds and paying agro-dealer arrears, leaving 400,000 smallholder farmers under the e-voucher at risk of being unable to plant their harvest on time.



Various stakeholders including the government itself has acknowledged the superiority of the e-voucher in delivering inputs under the Farmer Input Support Programme (FISP), especially in light of the threat of climate change – as have farmers, who, when polled by CUTS noted that the e-voucher allows them to diversify their inputs and select more drought-resistant crops. However, implementation challenges, particularly the liquidity required to pay agro-dealers have meant that the programme has, disappointingly, be scaled back to 40 percent of beneficiaries.

CUTS Staff visited five districts (Chongwe, Kafue, Chirundu, Choma and Kalomo) to see the effectiveness of the programme. They compared preparedness for the farming season between the Direct Input Supply (DIS) a form of traditional FISP districts and the e-voucher districts so as to make recommendations to support the government to scale up the cheaper and more effective e-voucher.

E-voucher has remained the preferred mode of delivery of the FISP among farmers and findings on the ground show that farmers feel that the prevailing challenges with the system need to be addressed for them to harness the full benefits of the e-voucher programme. FISP preparations for the farming season on governments end are progressing well with around 80 percent of farmers on average having already made their deposits.

In DIS districts such as Kafue, inputs have been delivered to the assigned warehouses and are ready for redeeming. However, in e-voucher districts, farmers are still awaiting the 1700 to be deposited to their accounts by the government before they begin to redeem inputs for the farming season. The government's liquidity position has continued to undermine the implementation of the e-voucher.

The DIS has been shown to be more expensive than the E-voucher as the government absorbs transportation, storage and distribution costs. Findings show that this year, the cost of fertiliser and the amount provided to farmers is much higher. The average market price of a bag of fertiliser is K350 – under the DIS when transportation, storage and distribution costs are factored in, the estimated cost of a single bag of fertiliser is K560. This means essentially that the estimated cost for a farmer that receives a 10kg bag of maize (K280) with 6 bags of fertiliser (at K560 each) is K3640 compared to the K1700 under the e-voucher. In a time of fiscal consolidation, the government is paying two times more for the costs of inputs alone, as well as higher transactional costs.

In comparison to DIS, where farmers are set to begin redeeming inputs, farmers on E-voucher are waiting on the government to deposit the K1700. The money on the government's end is not ready yet – therefore the full amount of the e-voucher has not reflected in farmer accounts yet, only their K300 contribution, which, following CUTS recommendation, has been ringfenced in a Ministry of Agriculture account. Farmers under e-voucher are therefore behind in readiness for the farming season as they are unable to redeem the full value of the e-voucher.

Agro-dealers are currently struggling under the burden of arrears from the previous season, which is further hindering preparations. Agro dealers are still owed an estimated K300 million with many agro-dealerships spoken to during CUTS' FISP monitoring exercise expressing a lack of knowledge on when government would pay off the current arrears.

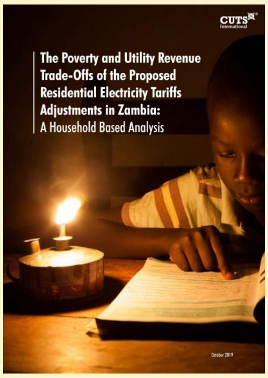
The liquidity position of the government, at present, threatens to undermine the successful implementation of the e-voucher as it did in 2018. The DIS has been shown to allow for the implementation of the FISP as money can be paid to the large input suppliers at a later stage. However, what this entails is inputs under the DIS being more than 2 times more expensive than under e-voucher.

In turn adding more debt, which has been one of the root causes of the government's liquidity crisis and crowding-out a cheaper and more effective programme in the e-voucher. In the immediate term, the government needs to clear agro-dealer arrears and begin to make deposits into e-voucher farmer accounts to allow them to begin redeeming. With about two weeks until the rains begin, time is of the essence.

Publications

The Poverty and Utility Revenue Trade-Offs of the Proposed Residential Electricity Tariffs Adjustments in Zambia:

A Household Based Analysis



This study explores options to increase residential tariffs in light of the government's intention to import power to reduce load shedding. CUTS analysis identifies a feasible tariff increase which would enable residents to share the cost of importing power proportional to usage while cushioning the impact on vulnerable households. In line with the principle that consumers should not incur the burden alone, CUTS has made recommendations for wider reform to the energy sector and improved targeting of energy subsidies.

https://cuts-lusaka.org/pdf/policy-brief-poverty-and-utility-revenue-trade-offs-of-the-proposed-residential-electricity-tariffs-adjustments-in-zambia.pdf

Our Twitter Handle

@CUTS_Accra December 05, 2019: #Ghana marks #WorldCompetitionDay without #Competition #Policy and #Law. @CUTS_Accra Calls on #govt to pass the law before the #2020 generally #election. @Psm_cuts @SamirApolitical @cutsafrica @appiahkusi https://t.co/juJtT9oJdd

@CUTS_Lusaka December 05, 2019: CUTS SHARES INSIGHT ON #BILL10 THREAD: As parliament is yet to vote on the widely discussed #Bill10, it is crucial that all stakeholders be engaged with the content of the bill given the implications it will have on the country.

@CUTS_Accra December 03, 2019: CD @appiahkusi has urged #Regulators in the #Mobile #Insurance landscape to improve their supervision to #protect #consumers from risk of #fraud@Psm_cuts @SamirApolitical @cutsafrica https://t.co/fuviIYoXRu

@CUTS_Accra November 28, 2019: CD @appiahkusi has urged #ECOWAS to hold an emergency meeting on #Nigeria border closure @Psm_cuts @SamirApolitical @cutsafrica @CUTS_Lusaka @CUTS_Nairobi https://t.co/mThCrapbcs

@CUTS_Lusaka November 20, 2019: LET'S TALK E-VOUCHER & ITS DELAYS: Our field visit to districts in Lusaka & Southern Provinces found delays in crediting farmers wit funds & paying agro-dealer arrears leaving 400,000 smallholder farmers under the #E_Voucher at risk of being unable 2 plant their harvest on time.

@CUTS_Accra November 14, 2019: #Ghana's oil #Palm identifies huge export prospects in #ECOWAS market @Psm_cuts @SamirApolitical @cutsafrica https://t.co/rkQZrmrYTd

@CUTS_Lusaka October 31, 2019: #THREAD ON CUTS FIELD VISIT TO 5 DISTRICTS OVER FISP: @CUTS_Lusaka in partnership with @IAPRI14 with support from #Kivu the past week (Monday 21st to Thursday 24th Oct 2019) undertook a field visit to 5 districts namely #Chirundu #Chongwe #Choma #Kafue & #Kalomo. #CUTSLusakaTBT

@CUTS_Nairobi December 18, 2019: Successful held a public forum today @Nakuru_Town to create awareness and enhance consumers' demand for safe food. CUTS_Nairobi,@NakurucountyASDSP,@SafeCommunities,@Nakurucounty,#foodsecurity,#foodsafety,#milksafety. pic.twitter.com/WFkp3hKOEK

@CUTS_Nairobi December 13, 2019: Held a successful meeting with other stakeholders to discuss the integration of the voices of Civil Society Organizations in #EAC Intra-Regional Trade and #AfCFTA. @Trade_Kenya @eacsof_kenya @EACAffairsKenya @of_busia040 @SEATINIUGANDA @Sautiafrika @cutsafrica pic.twitter.com/5qTd6g5fn3

@CUTS_Nairobi November 25, 2019: @cuts_nairobi is today addressing the @EA_Bunge Public Accounts Committee on Open Contracting and Beneficial Ownership during the 2nd Meeting of the Third Session of the 4th Assembly at the @jumuiya HQ in Arusha. @KinyaIdah made the presentation by @CUTS_Nairobi pic.twitter.com/LnlqRpGnL2

Sources

AT: Africa Times; B&FT: Business & Financial Times; CNR: Citi Newsroom; DN: Daily Nation; DN: Diggers News; GNA: Ghana News Agency; GW: GhanaWeb; KBC: Kenya Broadcasting Corporation; KNA: Kenya News Agency; LT: Lusaka Times; ND: Nation Daily; SD: Standard Daily; TC: The Conversation; TEA: The East African; TM: The Monitor; TST: The Straits Times; UN: United Nations; ZDM: Zambia Daily Mail; ZR: Zambia Reports

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