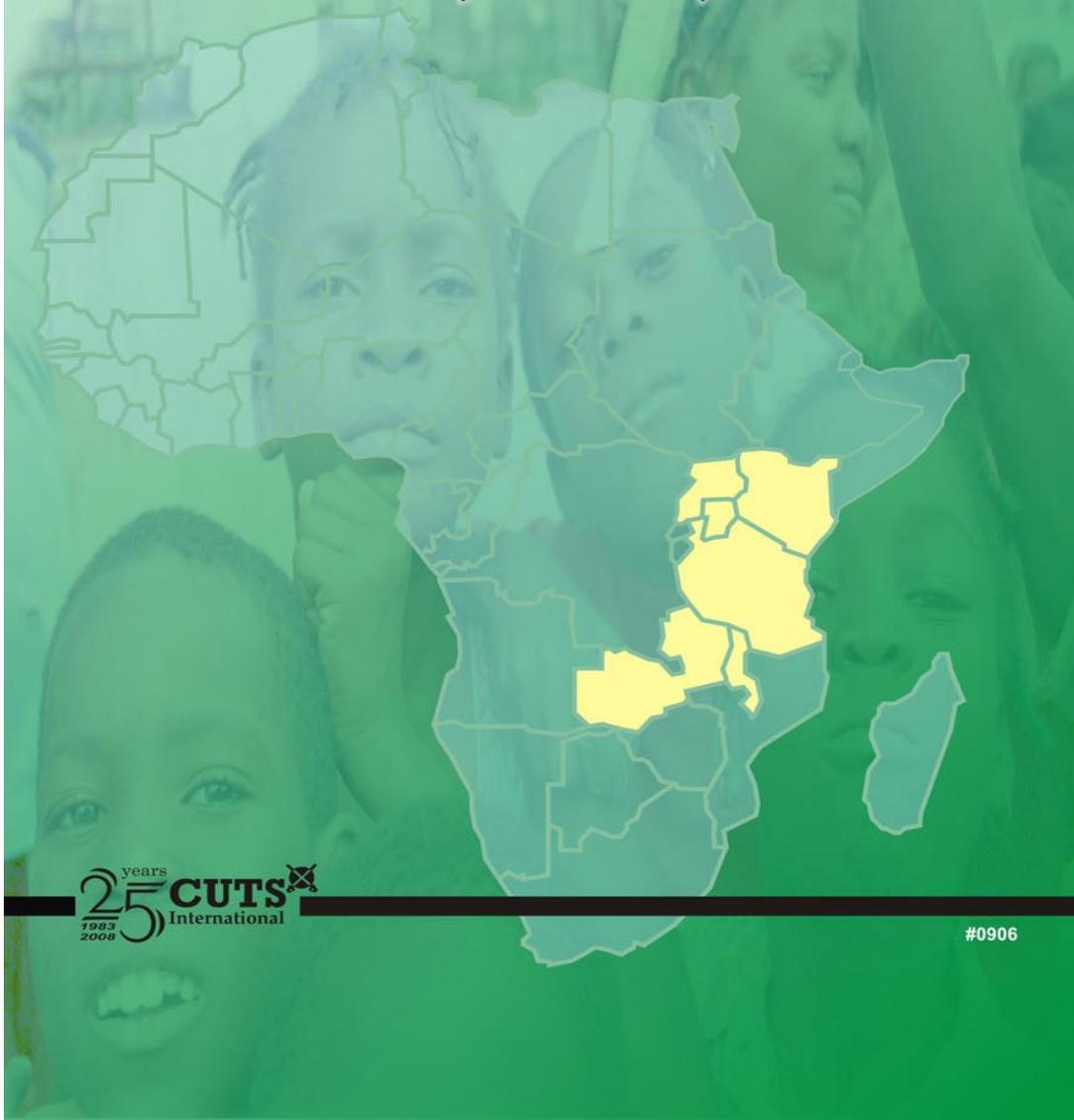


Improving Ownership
through Inclusive Trade
Policy Making Processes:
Lessons from Africa



About the Book

The outcome of the research during the first phase of the Fostering Equity and Accountability in the Trading System (FEATS) Project is presented in this volume. This research adopted a tested methodology used regularly by CUTS of active involvement of national stakeholders through the respective FEATS National Reference Groups (NRGs) in the project countries: Kenya, Malawi, Tanzania, Uganda, and Zambia. This project has an added value here; Geneva based Missions of the project countries (and the Brussels Mission of Malawi) have been involved.

Research focus is on trade policy making processes and role of main stakeholders. Research shows that a number of initiatives have been undertaken by the governments in the project countries to open up the trade policy making process to a larger group of stakeholders including relevant government ministries and agencies, private sector, NGOs, and research institutions. The primary means for this are the formal consultative mechanisms. Research also indicates that the stakeholders are aware of these efforts and eager to play an active role in trade policy making. However, their improved and effective participation in trade policy making requires strengthened capacity of all stakeholders, improved and more consistently used consultative mechanisms (i.e. inclusion of all relevant stakeholders, rationalisation of number and functions, regularity of meetings, and clarity of mandate), and promotion of a culture of dialogue among all stakeholders.

While the situation varies among countries and among different groups of stakeholders, the research affirms that much needs to be done. Hence, the effort must be sustained.

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Contents

Foreword	i
Abbreviations and Acronyms	v
1. Introduction	1
2. Summary of Economic Background, Trade Performance and Policy Framework of Project Countries	3
3. Importance of Inclusive Trade Policy Making for Nationally-Owned Trade Policy: Identification of Features and Stakeholders	9
4. Trade Policy Making in Project Countries: Main Stakeholders and Consultative Mechanisms	12
5. Challenges in Participation as Viewed by Stakeholders	26
6. Measuring Inclusiveness: Inclusive Trade Policy Making Index	29
7. Conclusions and Recommendations	34
References	39

List of Tables

Table 1: Main Economic Indicators	6
Table 2: Recent Trade Performance	7
Table 3: Linking Essential Features of an Inclusive and Nationally-Owned Trade Policy with Relevant Stakeholders through Trade Policy Making Process	11
Table 4: Key Stakeholders	16
Table 5: Consultative Mechanisms	21
Table 6: ITPM Index Scores	33

Foreword

CUTS constituency in both the developing and developed countries is familiar with our credo “marrying the cold of research with the hot of advocacy”. This credo aptly describes the content of this document that presents the main analysis and messages of research undertaken under the Fostering Equity and Accountability in the Trading System (FEATS) project. FEATS is a three-year project to build the capacity of relevant stakeholders from Kenya, Malawi, Tanzania, Uganda, and Zambia through research, public education, and networking to enhance positive linkages between trade and development, establish two-way linkages between activities in Geneva and in the project countries, and generate a more coherent and pro-trade for development voice at both the national and international levels. The project is supported by the William and Flora Hewlett Foundation of US.

The research in the first phase of FEATS focused on trade policy making processes and the role of stakeholders in trade policy making in project countries. The objective was to create better understanding of this aspect of the political economy of trade policy making in project countries with a view to finding ways and means to promote broader national ownership of trade policies. Such an ownership can greatly facilitate local buy-in for national trade policies and hence ensure ownership and proper implementation.

National trade policy in today’s integrated world is not the prerogative of a small group of technocrats only. It impacts a wide group of stakeholders and hence should be developed in consultation with all relevant stakeholders. This inclusive approach will also help in mitigating the negative connotations of trade among parts of the public in both the developed and developing countries. These political economy aspects of trade deserve as much attention as the economic and legal aspects. FEATS is based on this recognition and

the first phase research aims to fill the gap in knowledge that currently exists in relation to trade policy making processes and role of stakeholders in the project countries.

The research involved an 18-month long effort to collect data, engage with all relevant stakeholders constituted into National Reference Groups in each project country, test hypotheses and analyses through brainstorming meetings in each country, and an expert group of project advisers guiding the results. From ambassadors to trade officials, from civil society networks to grassroots level development NGOs, from universities to research foundations, from big local businessmen to small business associations, from small farmer groups to manufacturers' guilds, all participated in this process. This document distills some key messages from that exercise.

While the document brings out several messages, I would like to emphasise the following:

- There is no one-size-fits-all trade policy prescription: countries have to develop these policies in the context of their national endowments, prevailing conditions and international obligations.
- At the same time, the manner in which trade policies are developed is important: inclusive and participatory processes with wider stakeholder involvement are generally better at striking a balance among various interests at play.
- FEATS countries have made commendable efforts to open the trade policy making processes to many non-state actors: a fact acknowledged and appreciated by these actors.
- Yet there are a number of areas where further improvements can be made: for example, by rationalising the existing consultative mechanisms, building the capacity of various stakeholders for informed participation, and improving flow of information on trade issues. These are doable activities but require commitment and resources.
- The inclusivity of trade policy making processes and roles of stakeholders in project countries can and do evolve: stakeholders can consider using the Inclusive Trade Policy Making (ITPM) Index on a yearly basis to measure progress and periodically fine tune the remedial actions.

In short, while much has been done, much still remains to be done. CUTS will continue its efforts including through the activities during the second phase of the FEATS project. I am confident that many others in the project countries and the international trade and development community will join us in this endeavour.

Full contents of this research can be accessed at <http://www.cuts-grc.org/FEATS-Projects.htm>.

Jaipur
September 2009

Pradeep S Mehta
Secretary General

Abbreviations and Acronyms

ACODE	Advocates Coalition Organisation for Development and Environment
AERC	African Economic Research Consortium
CAMA	Consumer Association of Malawi
CCJP	Catholic Commission for Justice and Peace
CDI	Centre for Development Initiatives
CISANET	Civil Society Agriculture Network
CMM	Chamber of Mines of Malawi
COMESA	Common Market for Eastern and Southern Africa
CSBI	Civil Society Budget Initiative
CSOs	Civil Society Organisations
CSPR	Civil Society for Poverty Reduction
CSTNZ	Civil Society Trade Network of Zambia
CSWGT	Civil Society Working Group on Trade
CTI	Confederation of Tanzania Industry
CUTS	Consumer Unity & Trust Society
DENIVA	Development Network of Indigenous Voluntary Associations
EAC	East African Community
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
EPRC	Economic Policy Research Centre
EU	European Union
FBO's	Faith-Based Organisations

FEATS	Fostering Equity and Accountability in the Trading System
FPEAK	Fresh Produce Exporters Association of Kenya
FRA	Food Rights Alliance
GDP	Gross Domestic Product
GTMAM	Garment and Textile Manufacturers Association of Malawi
IF	Integrated Framework
IF DTIS	Integrated Framework Diagnostic Trade Integration Study
IITC	Inter-Institutional Trade Committee
IMC	Inter-Ministerial Committee
IMTC	Inter-Ministerial Technical Committee
ITC	International Trade Centre
ITPM	Inclusive Trade Policy Making
JCTR	Jesuit Centre for Theological Reflection
JICCC	Joint Industrial and Commercial Consultative Committee
KAM	Kenya Association of Manufacturers
KCSA	The Kenya Civil Society Alliance
KELPOTRADE	Kenya-European Union Post-Lome Trade Negotiations
KEPSA	Kenya Private Sector Alliance
KFC	Kenya Flower Council
KNCCI	Kenya National Chamber of Commerce and Industry
LDCs	Least Developed Countries
MCTI	Ministry of Commerce Trade and Industry
MEJN	Malawi Economic Justice Network
MEPC	Malawi Export Promotion Council
MITM	Ministry of Industry, Trade and Marketing
MNDTPF	Malawi National Development and Trade Policy Forum
MOCA	Ministry of Agriculture and Cooperatives
MoFA	Ministry of Foreign Affairs
MoFNP	Ministry of Finance and National Planning
MOJCA	Ministry of Justice and Constitutional Affairs

MOLG	Ministry of Local Government
MTA	Malawi Tourism Association
MTTI	Ministry of Tourism, Trade and Industry
NAG	National Action Group
NBC	National Business Council
NCWTO	National Committee on the WTO
NDTPF	National Development and Trade Policy Forum
NETT	National EPA Technical Team
NGOs	Non-Governmental Organisations
NTSDPs	National Trade Sector Development Plans
NWGT	National Working Group on Trade
ODCMT	Organisation Development Community Management Trust
PACRO	Patents and Companies Registration Office
PEC	President's Economic Council
PPD	Public-Private Sector Dialogue
PRSPs	Poverty Reduction Strategy Papers
PSF	Private Sector Foundation
SADC	Southern African Development Community
SEATINI	Southern and Eastern African Trade Information and Negotiations Institute
SMEs	Small and Medium Enterprises
TAM	Tea Association of Malawi
TAMA	Tobacco Association of Malawi
TANEXA	Tanzania Exporters Association
TANGO	Tanzania Association of NGOs
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TGNP	Tanzania Gender Programme
TPAZ	Textile Producers Association of Zambia
TRALAC	Trade Law Centre for Southern Africa
TTIS	Tanzania Trade Integration Strategy
UAE	United Arab Emirates
UEPB	Uganda Export Promotion Board

UGIEA	Uganda General Importers and Exporters Association
UMA	Uganda Manufacturer's Association
UNCCI	Uganda National Chamber of Commerce and Industry
UNCTAD	United Nations Conference on Trade and Development
UNFF	Uganda National Farmers' Federation
URA	Uganda Revenue Authority
USSIA	Uganda Small Scale Industries Association
WTO	World Trade Organisation
ZACCI	Zambia Association of Chambers of Commerce and Industry
ZAM	Zambian Association of Manufacturers
ZBS	Zambia Bureau of Standards
ZBF	Zambia Business Forum
ZCC	Zambia Competition Commission
ZCSMBA	Zambia Chamber for Small and Medium Business Associations
ZEGA	Zambia Export Growers Association
ZNFU	Zambia National Farmers Union
ZPSDA	Zambia Private Sector Development Association
ZRA	Zambia Revenue Authority

1

Introduction

National trade regimes, like any other regime, consist of implicit or explicit principles (beliefs of facts and causation), norms (standards of behaviour defined in terms of rights and obligations), rules (specific prescriptions for action), and decision-making procedures (prevailing practices for making and implementing collective choice) around which actors' expectations converge (Krasner: 1983). Hence, a trade regime embodies not simply regulative rules but also constitutive rules which address questions about why the regime exists in the first place, what purpose it aims to serve, what roles its actors are expected to play and so on. These issues fall into the sphere of political economy of trade. Unlike the economics and law of trade regimes, the political economy of trade has not been thoroughly studied and understood particularly in the context of smaller developing countries.

Recognising this important gap, CUTS project on Fostering Equity and Accountability in the Trading System (FEATS), during the first phase of its implementation, has undertaken studies of trade policy making processes in the five project countries: Kenya, Malawi, Tanzania, Uganda and Zambia. The substantive issue coverage of the studies includes: identification and description of key stakeholders including both the state and non-state actors (NSAs); identification and description of the processes and mechanisms used for trade policy making; description and analysis of the participation and role of various groups of stakeholders in trade policy making with their respective strengths and weaknesses; and identification of main weaknesses in the current processes and mechanisms used for trade policy making that need to be addressed to improve stakeholder participation and hence establish an organic link between the interests and concerns of stakeholders, on one hand, and the trade policies of the countries, on the other.

A qualitative tool titled “Inclusive Trade Policy Making (ITPM) Index” has also been developed and used as a rough but useful indicator of the performance of various groups of stakeholders in trade policy making in the project countries. The objective of this Index is to identify the areas in the trade policy making process which could benefit from targeted interventions.

This monograph presents the key findings of the five country studies including conclusions and recommendations. The studies have generated information and analysis that can be quite helpful to improve the trade policy making processes in the project countries. More inclusive processes with full stakeholder involvement will create national ownership and domestic buy-in for trade policies and thus will facilitate their implementation to achieve national development objectives.

2

Summary of Economic Background, Trade Performance and Policy Framework of Project Countries

The five countries included in the project – Kenya, Malawi, Tanzania, Uganda, and Zambia – are in Eastern and Southern Africa. All of them except Kenya are classified as least-developed countries (LDCs). Their economic and social situation, historical development path and strategies, trade performance and regimes, as well as their trade policy making processes share many similarities. It is also clear that each country has its own unique context and that over-simplified comparisons across countries should be avoided. Examining the similarities and differences can be quite informative. This can help in learning from the experience of each other, better understand the underlying factors, and facilitate further actions and interventions by the policy makers in the region as well as by their development partners.

Table 1 presents information regarding basic indicators, and Table 2 some figures on recent trade performance for the five countries. Information in these tables points to several interesting features. One, all the LDCs have registered reasonable rates of real Gross Domestic Product (GDP) per capita growth in the first few years of this century, with Tanzania and Uganda leading the others. This has led to higher nominal GDP per capita in all of them.

However, there are still wide differences in the nominal GDP per capita across countries which range from US\$178 in Malawi to US\$945 in Zambia. Two, poverty is widespread with at least one-third of the population living below the national poverty line in all five countries. Similarly, a high percentage of labour force in most of these countries is employed in the informal sector.

Three, all five countries mainly export primary agriculture and mineral commodities. Their main imports include petroleum products, machinery and equipment, and food products in the case of Kenya and Tanzania. Uganda, through exports of fish and fish products, and Kenya, through exports of horticulture, have made some successful efforts at value-added exports. Four, all of them are members of the World Trade Organisation (WTO) and active participants in the multilateral trading system. They are also pursuing regional integration objectives through their membership of various regional integration agreements. Five, regional trade as measured by percentages of exports to and imports from their respective regional groupings is substantial. Finally, all of them except for Zambia have substantial trade deficits with their imports being almost twice their exports in terms of value. Zambia, on the other hand, has a substantial trade surplus with exports at 35.7 percent, and imports at 26.1 percent of GDP in 2007.

The overall development policy and planning framework in the five countries has a similar pattern. This overall planning is guided by a Vision document: Malawi has its Vision 2020, Tanzania and Uganda their respective Vision 2025, and Zambia and Kenya their Vision 2030. These documents provide a long term vision for national development and can also lead to more coherent sectoral policies to achieve that vision. However, their regular updating and effective implementation by all governmental agencies remain a challenge. Moreover, they do not always accord a universally prominent position and importance to trade. The long term objectives under the Vision documents are to be achieved through national development plans. Generally of medium term duration, these plans are often based on the Poverty Reduction Strategy Papers (PRSPs). However, countries seem to be moving away from the PRSP framework in an effort to develop more home grown medium term development plans. Malawi Growth and Development Strategy 2006 is a good example of this trend.

Three types of documents, with differing degrees of details and validity, seem to govern the operation of trade policy in the five countries. One, there can be comprehensive trade policy documents: National Trade Policy 2007 in Uganda, National Trade Policy 1994 and Draft National Trade Policy 2007

in Kenya, National Trade Policy 2003 in Tanzania, and National Trade Policy 1994 and Trade and Industrial Policy Document of 2005 in Zambia (Malawi still does not have a single, comprehensive trade policy document). But these documents lack regular updating (for example, Zambia and Tanzania).

Two, there are what can be called supporting documents that inform certain aspects of trade policy as well. These include: Integrated Framework (IF) for Trade-Related Technical Assistance to Least Developed Countries, Diagnostic Trade Integration Study (DTIS) and Enhanced Integrated Framework (EIF) processes (in all countries except for Kenya which is not an LDC), sectoral strategies and policies (e.g., Malawi Private Sector Development Strategy, Plan for Modernisation of Agriculture in Uganda, Private Sector Development Reform Programme in Zambia, and National Industrial Policy in Kenya).

Three, there are in some cases, trade-related plans and strategies being implemented by the ministries responsible for trade. These include: National Export Strategy in Malawi, Tanzania Trade Integration Strategy (TTIS) 2009-2013 Framework Programme in Tanzania, National Trade Sector Development Plans (NTSDPs) in Uganda, and MCTI Strategic Plan 2006-2010 in Zambia.

The IF-related documents (e.g., DTIS including action matrix and various background and supporting studies) and the process leading to and continuing with the implementation of the EIF, seem to have played an important role in the four LDCs, i.e., Malawi, Tanzania, Uganda, and Zambia. They have facilitated the mainstreaming of trade and trade policy in overall development strategies. They have also encouraged stakeholder consultations on trade policy issues through multi-stakeholder validation workshops.

Table 1: Main Economic Indicators							
	Nominal GDP per capita (US\$, 2007)	Average Annual Growth Rate of Real GDP Per Capita (percentages, 2000-2005)	Growth Rate of Real GDP Per Capita (percentages, 2007)	Percentage of Population Living below National Poverty Line (2006)	Percentage of Population Living below US\$1.25 a Day (2004-05)	Percentage of Population living in Rural Areas (2007)	Percentage of Labour Force in Informal Sector
MALAWI	178	0.6	3.8	45	73.9 (2004-05)	82	73.6
ZAMBIA	945	2.8	3.5	64	64.3 (2004-05)	65	81
TANZANIA	356	6.9	7.0	35.6 (2000-01)	88.5 (2000-01)	75	16 (2000-2001)
KENYA	813	0.8	3.3	56 (2003)	19.7 (2005-06)	79	72
UGANDA	401	6.1	6.5	31.1	51.5 (2004-05)	87	90 (of total non-agriculture employment in 1999)

Source: Compiled from UNCTAD and World Bank data and publications

Table 2: Recent Trade Performance									
	EXPORTS			IMPORTS			Integration in Global Economy (trade as percentage of GDP)		Membership of Trade Agreements
	Percentage of GDP (2007)	Main Exports	Main Destinations (percentage)	Percentage of GDP (2007)	Main Imports	Main Sources (percentage)	2005-07	2008	
MALAWI	23.0	Tobacco, Tea, Sugar	Belgium 13.0 COMESA: 9.7 SADC: 21.2	41.0	Petroleum products, Fertilizer	South Africa 26.5 COMESA: 8.4 SADC: 58.2	31.5	36.6	WTO SADC COMESA EPA under negotiations/ Interim EPA not signed
ZAMBIA	35.7	Copper, Cobalt	Switzerland 50.9 ¹ COMESA: 17.0 SADC: 19.0	26.1	Machinery and transport equipment, Petroleum products, Chemicals	South Africa 44.6 COMESA: 13.6 SADC: 59.5	73.5	80.2	WTO COMESA SADC EPA under negotiations/ Interim EPA initialled

1. Switzerland shows up as the top destination for exports because the main trader for Zambian copper is a Swiss company, Glencore, which is one of world's largest commodity traders. However, these copper exports do not end up on the Swiss territory: in fact other European and Asian countries, particularly China are final markets for Zambian copper.

Contd...

TANZANIA	12.2	Mineral Products, Manufactured goods, Coffee	Switzerland 20.5 EAC: 12.0 SADC: 17.2 (2007)	28.0	Oil, Machinery and Transport Equipment, Food Products	UAE 13.2 EAC: 1.9 SADC: 11.5 (2007)	48.2 (1995-1999)	70.4	WTO EAC SADC EPA under negotiations/ interim EPA initialled
KENYA	15.0	Horticulture, Tea	United Kingdom 16.9 COMESA: 28.9 EAC: 21.4	23.9	Machinery and transportation equipment, Petroleum products, Food products	United Kingdom 15.4 COMESA: 3.2 EAC: 1.4	62.5	58.2	WTO EAC COMESA EPA under negotiations/ Interim EPA initialled
UGANDA	9.1	Coffee, Fish and Fish Products	Sudan 14.3 COMESA: 41.9 EAC: 21.9	20.9	Petroleum products, Machinery and telecommunication equipment	UAE 11.4 COMESA: 13.2 EAC: 12.6	38.3 Mid 90's	47.1 (2007)	WTO EAC - COMESA EPA under negotiations/ interim EPA initialled

Source: Compiled from data from ITC Trade Map, UNCTAD, World Bank and the WTO

3

Importance of Inclusive Trade Policy Making for Nationally-Owned Trade Policy: Identification of Features and Stakeholders

Trade has been recognised as a key engine for growth and development. The aim of project countries is to use trade as a tool to increase production, productivity and competitiveness and thereby generate resources, employment and opportunities to climb the development ladder. Trade policy serves as a means to achieve these objectives.

There is a general agreement among economists that an open trade policy, allowing free movement of all factors of production into and out of the country, should be the ultimate goal. However, the pace and sequencing to reach that goal while striving to grow and develop has to be determined in the context of the special circumstances prevailing in each country which requires that the trade policy be inclusive and have national ownership. Hence, a more reasonable approach is to identify the features of an inclusive and nationally-owned trade policy rather than prescribe the exact contours and content of

the policy. Accordingly, features listed below are important for trade policy to be called an inclusive trade policy that has national ownership:

- It should be based on the overall national development policy (coherence between development and trade policies);
- It should be supportive of and be supported by other government policies dealing with other sectors of the economy and indeed society (coherence between trade and other socio-economic policies);
- It should balance the interests of all key stakeholders, for example, of exporters and importers, of producers and consumers, of farmers and manufacturers, and of urban and rural dwellers, etc. (inclusivity and balance);
- It should be in conformity with the commitments of the country under the WTO and other regional and bilateral agreements (harmony with international commitments); and
- It should have an appropriate implementation plan with the commitment of adequate resources (committing needed resources to implement plans).

The process of making trade policy will determine whether the above features of a nationally-owned policy are attained, which in turn determines the contents of the policy. This will allow a trade policy developed for the specific context of a country and with the widest possible buy-in from all key stakeholders, ensuring the policy's relevance and proper implementation.

Table 3 presents elements of trade policy making process in a logical scheme that links the features of a nationally-owned trade policy with the relevant stakeholders.

Table 3: Linking Essential Features of an Inclusive and Nationally-Owned Trade Policy with Relevant Stakeholders through Trade Policy Making Process		
Features of a Good Trade Policy	Key Elements of Good Trade Policy Making Process	Relevant Stakeholders
Based on national development policy	Clear guidance/ directions from national development policy makers	National development policy makers (e.g., Ministry for Planning and Development, President's Office, Parliament, etc)
Linked with other governmental policies	Timely inputs and feedback from other government ministries/ departments	Other relevant government ministries/departments (e.g., those dealing with agriculture, employment and labour, finance, competition and consumer protection, education and health, etc.)
Linked with international commitments (to implement the commitments as well as to guide the positions regarding future possible commitments)	Timely inputs and feedback from relevant ministries and negotiators	Relevant ministries (e.g., Ministry of Foreign Affairs, etc.) and negotiators (e.g., dealing with the WTO and Economic Partnership Agreement – EPA negotiations)
Balancing the interests of all key stakeholders	Regular inputs and feedback from key non-state stakeholders	Key NSAs (e.g., representatives of the private sector, farmers, consumers, and the civil society)
Clear implementation plan with adequate resources	Articulation of implementation plan and commitment of required resources	Relevant government ministries (e.g., Ministries of Trade, Finance, Planning) and donors (multilateral and bilateral)

4

Trade Policy Making in Project Countries: Main Stakeholders and Consultative Mechanisms

Importance of trade policy for overall growth and development, and the need for stakeholder consultations to develop and implement trade policies in line with national situation and aspirations is increasingly recognised in all the five project countries. All of them have a government ministry primarily responsible for the development and monitoring of implementation of trade policy, and have also established various consultative mechanisms to consult with relevant stakeholders. Table 4 presents information regarding main relevant stakeholders, and table 5 presents the consultative mechanisms established and functioning in the project countries.

Relevant stakeholders can be divided into four broad groups. These are: i) government ministry primarily responsible for trade policy making and implementation; ii) other relevant government ministries and agencies; iii) private sector; and iv) civil society organisations (CSOs).

An examination of the functioning of the government ministries in relation to trade policy making and implementation shows that their respective roles fall into three broad categories. At the top can be those ministries/government offices that provide direction and guidance for trade policy making. Ministries

that are responsible for trade policy formulation/providing inputs for trade policy formulation constitute the middle level. At the bottom are other ministries as well as field offices that are primarily concerned with the implementation of trade policy in their respective areas of jurisdiction. There is a certain overlap of functions. For example, the ministry primarily responsible for trade policy making also contributes to the process of general policy guidance and direction and is also responsible for monitoring its overall implementation.

Private sector is considered a key stakeholder in economic and trade policy making in project countries. Private sector recognises this opportunity and has organised itself in various umbrella organisations to play an active role in the consultation process. These umbrella organisations can be divided into two broad categories. In one category are the multi-sector umbrella organisations that strive to represent the interests of the private sector as a whole (e.g., Federations of Chambers of Commerce and Industry). In this category can also be included organisations that have been established in close collaboration with the government to develop the capacities of the private sector, e.g., Private Sector Foundations. The second category consists of those private sector umbrella organisations that represent one particular sector/economic activity (e.g., tobacco, farming, exports, etc.) These sectoral umbrella organisations can be regarded as a clear recognition that while multi-sector umbrella organisations are quite useful for presenting the overall private sector interests (e.g., in relation to taxation policy etc.), more specific sectoral interests are generally better served by sector-specific umbrella organisations.

CSOs also play an important role and the civil society scene is quite vibrant in all the five countries. There are a number of active CSOs though only a few of them have the capacity and/or resources to work on trade issues. CSOs can be divided into four broad categories with some overlap. One, there are a number of local non-governmental organisations (NGOs) in each country. Two, in all project countries there are also some international/regional NGOs that are working either as subsidiaries of their parent NGOs or as locally incorporated NGOs but still maintaining close relationship with their parent NGOs abroad and making use of their resources including brand names. Three, recognising the need for evidence-based public education, several institutes are focussing on research and analysis. Their outputs are used by all other stakeholders, i.e., government, private sector, and other CSOs. Four, given the limited resources of individual NGOs and the need to launch effective public education efforts, CSOs have formed networks. These networks can be either issue-specific (e.g., on trade, food security, etc.) or more general.

In each country, a number of consultative mechanisms have been established: these can be categorised either on the basis of their composition or their respective mandates. Based on composition, the consultative mechanisms fall into three broad categories.

One, there are fora devoted to inter-ministerial coordination only. These have slightly different titles (e.g., Inter-Ministerial Committee- IMC in Kenya, Inter-Ministerial Technical Committee – IMTC in Tanzania, etc.) but serve the same objective. These committees are a standard feature of government set up in all the project countries.

Two, there are consultative fora consisting of representatives of only the public and private sectors. Such mechanisms have very different titles (e.g., National Business Council – NBC in Tanzania and Joint Industrial and Commercial Consultative Committee – JICCC in Kenya) but their role is the same, i.e. to provide a forum for information sharing, dialogue and coordination between the public and private sectors. They are often the primary means for institutional dialogue between the government and the private sector. The anecdotal evidence collected during this study suggests that these fora are quite active and often have the ears of the governments.

Three, there are fora that bring together all relevant stakeholders including from the relevant government ministries, private sector, and the civil society. These fora allow for broad stakeholder participation in the policy making process.

Alternatively, the existing consultative fora can be categorised based on their respective mandates. First, there are fora that have the mandate to discuss and consult on a particular sub-set of trade issues. For example, all project countries have established a mechanism for stakeholder consultation on EPA negotiations with the European Union (EU). These have as members representatives of the public sector, private sector, and the civil society and were initially funded by the EU.

Second, there are consultative fora that are mandated to deal with all trade issues. These exist in Malawi, Uganda and Zambia. On the other hand, there are no such overall consultative fora for consultations on all trade issues in Tanzania and Kenya where there only exist consultative fora specifically dealing with either the WTO (in Kenya) or the EPA (both in Kenya and Tanzania) issues.

Third, there are some other consultative fora for stakeholder consultations on multiple issues that can include trade as well. These also exist in all project countries. In this category can be included the standing fora for inter-ministerial coordination, and the mechanisms that have been established for dialogue and coordination between the public and private sectors. Their very nature demands a broader mandate than trade only.

Ministries responsible for trade are generally tasked with coordinating the functioning of consultative fora dealing with trade. Given their limited human and financial resources, this can be quite an uphill assignment. Therefore, these fora are often working on an *ad hoc* basis and spring into action when needed for a forthcoming WTO or EPA meeting, often at a short notice. It is also true that they are seldom used for regular dialogues and coordination on all trade policy issues. The recent experience of the development of comprehensive trade policy in Kenya and Uganda is quite illustrative in this regard. In both the cases efforts were made for broad stakeholder consultations but through *ad hoc* arrangements and not by designating one of the existing consultative mechanisms for the purpose.

No consultative mechanism has a clear legal mandate that ensures that its views are taken on board. Their role is generally of a discussion forum. They are also asked to provide inputs and advice regarding the country position in the WTO and EPA negotiations. But they are often not informed whether and how these views and advice was taken on board. This is a serious weakness which often frustrates the non-governmental stakeholders and discourages their continued, whole-hearted participation in the consultative mechanisms.

Finally, it is rather obvious that neither are all the relevant stakeholders included in these consultative mechanisms nor do they have equal number of opportunities to consult with the government. For example, role of Parliaments and Parliamentarians is quite limited. Moreover, representatives of consumer associations, trade unions, small businesses/informal sector, and sometimes farmers are not members of the consultative mechanisms. It is also a fact that the private sector has comparatively more institutional mechanisms to interact with the government, including on trade issues. Hence, there is a general impression in project country stakeholders, particularly the civil society, that the private sector, particularly the apex business umbrella organisations as well as powerful sectoral organisations/individual firms have substantial influence on government trade policy making.

Table 4: Key Stakeholders ²					
Country	Government			Private Sector	Civil Society Organisations
	Policy Direction	Policy Formulation	Policy Implementation		
MALAWI	President's Office (No independent statutory body to review or advise the Government on economic and trade policies. Most economic policy advice to the Government comes from the Reserve Bank, the Ministries of Finance and Economic Planning, and Industry and Trade)	Ministry of Industry, Trade and Private Sector Development Ministry of Agriculture and Food Security Ministry of Economic Planning Ministry of Finance	Ministry of Industry, Trade and Private Sector Development Ministry of Finance Malawi Revenue Authority Reserve Bank of Malawi, Malawi Bureau of Standards Malawi Investment Promotion Agency Malawi Export Promotion Council (MEPC) Other Line Ministries and Agencies	Multi-sector Umbrella Organisations Malawi Confederation of Chambers of Commerce and Industry, Indigenous Business Association of Malawi, Malawian Entrepreneurs Development Institute, National Association of Business Women, National Association of Small & Medium Enterprises Sectoral Umbrella Organisations National Smallholder Farmers' Association of Malawi, Tobacco Exporters Association of Malawi Tobacco Association of Malawi (TAMA), Tea Association of Malawi (TAM), Garment and Textile Manufacturers Association of Malawi (GTAMAM), Chamber of Mines of Malawi (CMM), and Malawi Tourism Association (MTA)	Local NGOs Malawi Economic Justice Network (MEJN), Civil Society Budget Initiative (CSBI), Consumer Association of Malawi (CAMA), and Malawi Congress of Trade Unions. International NGOs ActionAid Malawi, Oxfam Malawi Research CSOs Economic Association of Malawi CSOs Networks Civil Society Agriculture Network (CISANET), Civil Society Coalition for Quality Basic Education, Malawi Health Equity Network, Council for NGOs in Malawi

2 The listing of government ministries, private sector organisations, and CSOs in this table is only illustrative and not comprehensive.

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Country	Government			Private Sector	Civil Society Organisations
	Policy Direction	Policy Formulation	Policy Implementation		
TANZANIA	President's Office Ministry of Industry, Trade and Marketing (MITM)	Ministry of Industry, Trade and Marketing (MITM) Ministry of Foreign Affairs & International Cooperation Ministry of Finance Ministry of Agriculture & Cooperatives	Ministry of Industry, Trade and Marketing (MITM) Tanzania Revenue Authority Board of External Trade Other Specialised Government Agencies Other Line Ministries and Agencies	Multi-sector Umbrella Organisations Private Sector Foundation (PSF) Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) Sectoral Umbrella Organisations Confederation of Tanzania Industry (CTI) Tanzania Exporters Association (TANEXA)	Local NGOs Faith-Based Organisations (FBOs), WaterAid, Concern World, Pact, Tanzania Gender Programme (TGNP), TGNP Policy Forum, Media Council of Tanzania and MISA Research CSOs ESRF International NGOs Oxfam JOLIT, ActionAid, KEPA CSOs Networks Tanzania Association of NGOs (TANGO)
UGANDA	President Cabinet Presidential Economic Policy Forum	Ministry of Tourism, Trade and Industry (MTTI) Ministry of Agriculture, Animal Industry and Fisheries	Ministry of Tourism, Trade and Industry (MTTI) Ministry of Justice and Constitutional Affairs (MOJCA)	Multi-sector Umbrella Organisations Private Sector Foundation (PSF) Uganda National Chamber of Commerce and Industry (UNCCI) Sectoral Umbrella Organisations	Local NGOs National Farmers' Federation (UNFF) Research CSOs

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Country	Government			Private Sector	Civil Society Organisations
	Policy Direction	Policy Formulation	Policy Implementation		
	Ministry of Finance, Planning & Economic Development	Ministry of Foreign Affairs	Ministry of Local Government (MOLG) Uganda Export Promotion Board (UEPB) Uganda Revenue Authority (URA) Other Line Ministries and Agencies	Uganda Manufacturers' Association (UMA) Uganda General Importers and Exporters Association (UGIEA) Uganda Small Scale Industries Association (USSIA)	Economic Policy Research Centre (EPRC) at Makerere University, Centre for Development Initiatives (CDI) Regional and International NGOs SEATINI, Advocates Coalition Organisation for Development and Environment (ACODE), ActionAid Uganda, Oxfam Uganda CSOs Networks Uganda Debt Network, Food Rights Alliance (FRA), Development Network of Indigenous Voluntary Associations (DENIVA) Civil Society Working Group on Trade (CSWGT)
ZAMBIA	Ministry of Commerce, Trade and Industry (MCTI)	Ministry of Commerce, Trade and Industry (MCTI)	Zambia Revenue Authority (ZRA) Patents and Companies Registration Office	Multi-sector Umbrella Organisations Zambia Association of Chambers of Commerce and Industry (ZACCI)	Local NGOs Organisation Development Community Management Trust (ODCMT), Women

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Country	Government			Private Sector	Civil Society Organisations
	Policy Direction	Policy Formulation	Policy Implementation		
		<p>Ministry of Finance and National Planning (MoFNP)</p> <p>Ministry of Justice and Legal Affairs</p> <p>Ministry of Foreign Affairs (MoFA)</p> <p>Ministry of Agriculture and Cooperatives (MOCA)</p>	<p>(PACRO)</p> <p>Zambia Bureau of Standards (ZBS)</p> <p>Zambia Competition Commission (ZCC)</p> <p>Other Line Ministries & Agencies</p>	<p>Zambia Private Sector Development Association (ZPSDA)</p> <p>Zambia Business Forum (ZBF)</p> <p>Sectoral Umbrella Organisations</p> <p>Zambia National Farmers Union (ZNFU)</p> <p>Zambia Export Growers Association (ZEGA)</p> <p>Zambian Association of Manufacturers (ZAM)</p> <p>Textile Producers Association of Zambia (TPAZ)</p> <p>Zambia Chamber for Small and Medium Business Associations (ZCSMBA)</p> <p>Individual Companies</p> <p>Zambia Sugar, Clark Cotton, Swarp Spinning Mill</p>	<p>Entrepreneurs Development Association of Zambia</p> <p>Zambia National Women's Lobby, Trade Justice Movement, Zambia Congress of Trade Unions,</p> <p>Jesuit Centre for Theological Reflection (JCTR),</p> <p>Catholic Commission for Justice and Peace (CCJP)</p> <p>Regional/International NGOs</p> <p>CUTS, SEATINI,</p> <p>Trade Law Centre for Southern Africa (TRALAC), Oxfam, Christian Aid</p> <p>Research Institutes</p> <p>University of Zambia</p> <p>CSOs Networks</p> <p>Civil Society Trade Network of Zambia (CSTNZ), Civil Society for Poverty Reduction (CSPR)</p>

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Country	Government			Private Sector	Civil Society Organisations
	Policy Direction	Policy Formulation	Policy Implementation		
KENYA	President's office National Economic and Social Council Office of the Prime Minister, Ministry of Planning, National Development and Vision 2030 Ministry of Finance	Ministry of Trade Ministry of East African Community Ministry of Industrialisation Ministry of Foreign Affairs Ministry of Agriculture	Ministry of Trade Kenya Revenue Authority Kenya Bureau of Standards Other Line Ministries & Agencies	Multi-sector Umbrella Organisations Kenya National Chamber of Commerce and Industry (KNCCI), Kenya Private Sector Alliance (KEPSA), Federation of Kenya Employers Sectoral Umbrella Organisations Kenya Association of Manufacturers (KAM), Kenya Flower Council (KFC), Fresh Produce Exporters Association of Kenya (FPEAK), Computer Professionals' Union	Local NGOs Kenya Human Rights Commission, EcoNews Africa, Consumer Information Network, Regional/International NGOs Oxfam, CUTS International, SEATINI, ActionAid Kenya, Research CSOs Institute for Economic Affairs, African Economic Research Consortium (AERC), KIPPRA CSOs Networks The Kenya Civil Society Alliance (KCSA)

Source: Compiled from country documents, papers and discussion in FEATS National Inception Meetings and National Dialogues, and bilateral meetings with stakeholders

Table 5: Consultative Mechanisms			
Country	Consultative Mechanisms	Composition	Role
TANZANIA	National Business Council (NBC)	40 members, twenty representing various government agencies and twenty representing the private sector. PSF coordinates the private sector representation in the NBC	Established to provide forum for regular dialogue between the public sector institutions and the private sector on all relevant policy issues including trade
	Inter-Ministerial Technical Committee (IMTC)	All government ministries	To provide a forum for collaboration and coordination among all government ministries on all relevant issues including trade
	National EPA Technical Team (NETT)	Related government ministries and departments, the civil society, research institutions and academics, and the private sector Current membership includes 18 public-sector institutions, two private-sector representative organisations (TCCIA and CTI); 1 NGO umbrella organisation (the Tanzania Association of NGOs – TANGO); 1 research institute (ESRF) and 2 academics	To provide a forum to discuss and coordinate Tanzanian participation in EPA negotiations with the EU
MALAWI	National Working Group on Trade Policy	Private and business sector organisations, CSOs High level representatives from the public and private sectors as well as academia, civil society and the donor community. Ministries represented are Trade, Finance,	Advises the Government, through the Principal Secretary of MITPSD, on issues relating to trade, including regulatory provisions and policy reforms. In addition, it provides a framework for monitoring and evaluating the implementation of Malawi's trade arrangements and for ensuring conformity with

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Country	Consultative Mechanisms	Composition	Role
		Development Planning and Cooperation, Justice and Constitutional Affairs, Agriculture and Food Security, and Foreign Affairs.	agreed rules. It also facilitates consultation and cooperation among private and public sector parties to promote trade. The Group also commissions and reviews technical reports prepared by the National Task Force on Trade Policy
	Malawi National Development and Trade Policy Forum (MNDTPF)	Governmental negotiators, the private sector, and the civil society organisations	To effectively organise and coordinate Malawi participation in EPA negotiations with the EU
	National Action Group (NAG)/ Public-Private Sector Dialogue (PPD)	Governmental, private sector and donor representatives	To resolve cross-cutting issues that impact businesses of all sizes; encourage sub-sectoral working groups to work by giving them a place to bring forward cross-sectoral issues that they cannot resolve alone; build trust through opportunities for personal interaction and hearing other views; raise awareness of business climate issues by educating businesses and government; allow for monitoring of progress on promised action linked to the strategy; and provide the Secretariat with a mandate to work and the basis on which to engage stakeholders
	Inter-Ministerial Committees (IMCs)	Relevant ministries	To promote inter-ministerial communication and collaboration Platform where relevant ministries can provide input as well as comment on issues related to trade policy

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Country	Consultative Mechanisms	Composition	Role
UGANDA	President's Economic Council (PEC)/The National Forum	Headed by the President, PEC included ministers and high level government technocrats dealing with economic policy issues, and the representatives of private sector	The PEC and the National Forum have mandates much broader than trade, but they also provided space for broad and high level consultations on trade policy issues
	Inter-Institutional Trade Committee (IITC)	55 persons representing various institutions/categories of stakeholders including relevant government ministries, private sector, and CSOs. The staff of the MITI Trade department is ex-officio member of the IITC. The MITI also provides the secretariat for the Committee	The IITC mandate covers both the functions of inter-ministerial coordination, and dialogue and consultation with other stakeholders, particularly the private sector
ZAMBIA	Uganda National Development and Trade Policy Forum (NDTPF)	Relevant governmental negotiators, the private sector, and the civil society organisations	To discuss and coordinate Ugandan participation in the negotiations for EPA with the EU
	National Working Group on Trade (NWGT)	Headed by a private sector representative. MCTI also serves as its secretariat. Currently consists of 13 members from the private sector, civil society and the government. Institutions represented on the NWGT are: Ministry of Commerce, Trade and Industry; Ministry of Finance and National Planning; Ministry of Agriculture and Cooperatives; Zambia Development Agency; Zambia Revenue Authority; Zambia National Farmers Union (ZNFU); Zambia Association of Chambers of Commerce	Consultations on all trade-related issues.

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Country	Consultative Mechanisms	Composition	Role
KENYA		and Industry (ZACC); Zambia Export Growers Association; Zambia Association of Manufacturers; Zambia Federation of Women in Business; Chilanga Cement PLC; and Zambia Sugar.	
	Agriculture Consultative Forum (ACF)	Government, farmers' unions, private sector	Convened for dialogue, coordination and recommendations on agriculture issues This helps the government in understanding the concerns and views of farmers' unions and the private sector on the full range of agricultural issues including those related to trade
	Trade Expansion Working Group	Representatives of the public and private sectors and headed by a chairperson from the private sector	To provide information on export-related issues and be a platform for public-private sector consultations on these issues
	Steering Committee of Secretaries	All Permanent Secretaries	To ensure inter-ministerial coordination on all issues requiring such coordination including on trade
	National Committee on the WTO (NCWTO)	All stakeholders from the public sector, private sector, and the civil society The MoT convenes and chairs the meetings	Mandated to develop national positions on WTO issues

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Country	Consultative Mechanisms	Composition	Role
	Joint Industrial and Commercial Consultative Committee (JICCC)	Public and private sector representatives The MoT convenes and chairs the meetings	To be a consultative forum on trade and industrial issues
	Kenya-European Union Post-Lome Trade Negotiations (KELPOTRADE) Support Programme / National Development and Trade Policy Forum (NDTPF)	Public sector, private sector and civil society The MoT coordinates the functioning of the NDTPF and acts as its secretariat	To facilitate Kenyan preparations for the EPA negotiations with the EU as well as disseminate the EPA-related information
	Cabinet's Sub-Committee on Trade	Ministers responsible for relevant government ministries	Ministerial level consultations and coordination on trade-related issues
	Inter-Ministerial Committees (IMCs)	Government ministries	To ensure inter-ministerial coordination on all issues requiring such coordination including on trade

5

Challenges in Participation as Viewed by Stakeholders

FEATS country studies have brought out a number of challenges faced by the four stakeholders groups in each country. These challenges have been identified by the respective groups of stakeholders. These challenges were also often mentioned by other stakeholder groups thus lending them credibility.

Given the consistent manner in which it has been mentioned by all groups of stakeholders, at the top of the list of challenges is the limited technical, financial, and human capacity among all groups of stakeholders in all project countries. There are several other common challenges that are faced by specific groups of stakeholders in all the project countries. For example, the ministries responsible for trade issues need more resources to establish and ensure effective functioning of stakeholder consultative mechanisms.

Similarly, a challenge identified by other relevant ministries and agencies in all countries relates to the lack of adequate and timely coordination among government ministries on trade issues. Many of them also recognise that this lack of coordination is not specific to trade issues: this seems to be an institutional weakness in the government machinery that needs to be urgently addressed.

For the private sector a common challenge is to better balance the interests of various sectors and sub-sectors and particularly ensuring that the more powerful – whether umbrella organisations or individual firms – do not capture the process. Common challenges faced by CSOs included: lack of a relationship of trust between CSOs and the governments; lack of adequate

resources to link up with the grassroots; and the need for better coordination among CSOs.

The challenges mentioned by CSOs are many more in all the five countries when compared with the challenges faced by other groups of stakeholders. This demands a deeper analysis of CSO challenges. Several points can be made in this respect. One, CSOs do not have assured sources of funding and hence often have to move to an area of interest to the funder. It was repeatedly pointed out during the study process that funding for work on trade issues is now more limited, forcing many CSOs to scale down their work in this area and lose the knowledge and expertise developed over many years.

Two, CSOs attempt to perform several functions simultaneously including awareness-raising, research and analysis, public education and capacity building. This may sometimes mean not being able to do well in some areas of work. Finally, by the very nature of their role as watchdogs CSOs may be more critical of the government than other groups of stakeholders. This can create tensions between the two. The fact that many CSOs depend on external sources for a large part of their funding also adds to the mistrust between the governments and CSOs.

The long list of challenges faced by various groups of stakeholders in their regular and effective participation in trade policy making processes in the project countries can be summarised into three broad categories. First, and as mentioned above, there are constraints related to limited human, technical, and financial capacities. All stakeholders face these constraints in varying degrees. However, their specific needs for capacity building may be different, for example, for ministries responsible for trade policy making a primary need is for financial resources to ensure the regular functioning of the consultative mechanisms; for other relevant government ministries a primary need is to have adequate and trained human resources to deal with trade-related issues which is not their main mandate; for private sector a primary need may be to have adequately staffed secretariats of umbrella organisations that can ensure regular two-way exchange between the government and their members; and for CSOs a primary need may be to develop better skills that are based on solid evidence.

Second, there are challenges related to institutional and structural issues. Multiplicity of consultative mechanisms makes it difficult for all stakeholders to participate regularly in all of them. On the other hand, certain gaps still exist, for example, not all stakeholders are included (e.g., consumers and

Parliamentarians); coordination among relevant government ministries remains *ad hoc* and poor; not all issues are being addressed (e.g., there is no consultative mechanism for the WTO issues in Tanzania); existing consultative mechanisms often lack clear legal mandates; and *ad hoc* mechanisms are adopted to deal with important trade issues despite the presence of regular consultative fora (e.g. as has been done in Uganda and Kenya to develop comprehensive trade policies). Third, there are some challenges that are specific to each group of stakeholders, for example, for the private sector the need to balance the interests of all the members of umbrella private sector organisations, and for the CSOs the need to build better links with the grassroots.

It is heartening to see that the groups of stakeholders are conscious of these challenges. This is the essential first step towards meaningful action to rectify the weakness and to improve.

6

Measuring Inclusiveness: Inclusive Trade Policy Making Index

An important and original contribution of this study is the development of a qualitative index to measure the inclusiveness of trade policy making process in the project countries. It was felt during the study process that such an analytical tool will be quite helpful in presenting a summary picture of the state of inclusiveness of trade policy making process in project countries that is based on the feedback by stakeholders in the country and confirmed by other information and analysis in the study.

The ITPM Index has four parts related to four main categories of stakeholders. Part I has five action variables where action is the responsibility of relevant government ministry responsible for trade policy making and implementation. The remaining three parts have three similar action variables each where action is the responsibility of other relevant government ministries/agencies, private sector, and the CSOs, respectively. For the sake of simplicity, all the action variables can have only five values: maximum value of 1 (when the appropriate action has been taken by the concerned actor), high value of 0.75 (when quite a lot has been done by the concerned actor but some gaps still remain), intermediate value of 0.5 (when action has been taken by the actor concerned but that is not sufficient), low value of 0.25 (when some action has been taken by the concerned actor but much remains to be done), and minimum value of zero (when the action has not been taken at all by the concerned actor). In qualitative terms, these values correspond to the respective answers

of yes, many/most, some, few/little, and no³. A summary of Index scores by stakeholders in project countries is in table 6.

Kenya and Zambia have the highest scores due to higher scores by their respective ministries responsible for trade and consistent scores by other three groups of stakeholders. The ministries responsible for trade in Kenya and Zambia have done well regarding the identification of stakeholders, establishment and functioning of consultative mechanisms, and creating awareness about the trade policy. However, this is not enough and more is needed particularly for the identification and inclusion of remaining stakeholders and improving the functioning of consultative mechanisms. The weakest area for the ministries responsible for trade is the regular information flow to the stakeholders. Ministries responsible for trade in all the five project countries have similar scores under this action variable, indicating a common perception among stakeholders in all countries about the lack of regular information flow on trade issues from the ministry concerned. Even taking into account the limited human resources of the ministries concerned, this weakness can be redressed by making use of information technology and electronic media.

The total scores by ministries responsible for trade in Tanzania and Uganda are on the lower side but weaker areas are different: identification and involvement of all relevant stakeholders in trade policy consultative mechanisms and establishing consultative mechanisms for all trade policy issues in Tanzania, and creating awareness about trade policy in Uganda. The score of concerned ministry in Malawi is better than Tanzania and Uganda but still indicates the need for more efforts in respect of three out of the five action variables.

The scores by private sector are either higher than by CSOs and other relevant government ministries (in Malawi, Tanzania and Uganda) or equal: it is not lower as compared with these two other groups of stakeholders in any of the project countries. Private sector score is particularly high in Malawi. The weakest variable for the private sector across countries, which happens to be the weakest variable among the three groups of stakeholders (i.e., other relevant government ministries, private sector, CSOs) in all countries (except for Uganda for CSOs) is the limited relevant knowledge and expertise. It can be concluded that all these groups of stakeholders need to invest more time

3 The methodology and calculation of scores for ITPM is explained in the studies which can be viewed at <http://www.cuts-grc.org/FEATS-Projects.htm>.

and resources on acquiring relevant knowledge and expertise for their meaningful participation in trade policy making process.

Other action variable where the three groups of stakeholders (i.e., other relevant government ministries, private sector, CSOs) have low scores relates to the faithful representation of and regular feedback to their respective constituencies. This is particularly relevant for other relevant government ministries as they are not perceived to be doing well in this respect in all the project countries. This may be due to several factors. Trade may be a peripheral issue for these ministries and hence not considered a priority for providing regular feedback on. There may also be a general lack of institutional mechanisms and culture in these ministries for regular feedback and interaction with their respective constituencies. CSOs too are not perceived to be doing well in respect of this action variable except in Kenya. This assessment is linked to and confirmed by several observations mentioned earlier.

Private sector performance in respect of this action variable is also not good except in Tanzania and Malawi. Major reasons for this include: under-staffed secretariats of private sector umbrella organisations that are unable to maintain effective two-way communication between the government and their members; tight timelines to provide feedback to the government on trade issues which do not allow for wider consultation with all members of private sector umbrella organisations; and conflicting interests of the members of private sector umbrella organisations. On the other hand, private sector consistently scores high for its regular participation in consultative fora. This shows the interest of private sector in participation. It also seems to be a result of more and better opportunities for private sector participation. As mentioned earlier, governments have established dedicated consultative mechanisms for consultations with the private sector and private sector is encouraged to participate including by often appointing the chair or co-chair of these fora from the private sector.

Other relevant government ministries and agencies have also scored well in respect of this action variable except in Tanzania. The best score is in Kenya where it seems that other relevant ministries regularly participate in consultative mechanisms. This participation is substantial in the case of Malawi, Uganda and Zambia.

Scores by CSOs in respect of this variable are rather low except in Zambia. It seems that CSOs stakeholders in Malawi, Tanzania and Uganda are not participating regularly in consultative meetings on trade issues. The reasons

cited for this include: lack of capacity of CSOs and the plethora of consultative fora and meetings; *ad hoc* nature of invitations to the consultative meetings; and dwindling interest in attendance as the consultative mechanisms do not have legal mandates and participation therein does not seem to have any impact on trade policy decisions being taken by the government.

This analysis of inclusiveness of trade policy making process in project countries should be helpful in better understanding the situation in each country, the role and challenges faced by various groups of stakeholders in each country, and the areas for further specific action by various stakeholders. It should be understood that the scores are not to be used for automatic cross-country comparisons: the comparative presentation in table 6 is only for illustrative purposes and to encourage sharing of experiences and lessons across countries. Each country has its own unique context and its score is reflective of that context.

Table 6: ITPM Index Scores						
ITPM Action Variable		KENYA	MALAWI	TANZANIA	UGANDA	ZAMBIA
Part I. Ministry responsible for Trade	A. Identification of all key stakeholders	0.75	0.50	0.50	0.75	0.75
	B. Creating awareness about the need for trade policy	0.75	0.50	0.50	0.25	0.75
	C. Establishment of formal consultative mechanisms	0.75	1.00	0.75	1.00	1.00
	D. Functioning of formal consultative mechanisms	0.75	0.75	0.50	0.50	0.75
	E. Regular information flow to the stakeholders including on the content of trade policy	0.50	0.50	0.25	0.25	0.50
	Part I Score	3.50/5.00	3.25/5.00	2.50/5.0	2.75/5.00	3.75/5.00
Part II. Other relevant government ministries/agencies	F. Regular participation in the process and feedback to the relevant authorities	1.00	0.75	0.50	0.75	0.75
	G. Faithful representation of and regular feedback to the represented constituencies	0.50	0.50	0.50	0.50	0.50
	H. Acquiring relevant knowledge and expertise	0.50	0.50	0.50	0.50	0.50
	Part II Score	2.00/3.00	1.75/3.00	1.50/3.00	1.75/3.0	1.75/3.00
Part III. Private sector and business umbrella organisations	I. Regular participation in the process and feedback to the relevant authorities	1.00	1.00	0.75	1.00	1.00
	J. Faithful representation of and regular feedback to the represented constituencies	0.50	0.75	0.75	0.50	0.50
	K. Acquiring relevant knowledge and expertise	0.50	0.50	0.50	0.50	0.50
	Part III Score	2.00/3.00	2.25/3.0	2.00/3.00	2.00/3.00	2.00/3.00
Part IV. Civil society organisations	L. Regular participation in the process and feedback to the relevant authorities	0.75	0.25	0.50	0.25	1.00
	M. Faithful representation of and regular feedback to the represented constituencies	0.75	0.50	0.50	0.50	0.50
	N. Acquiring relevant knowledge and expertise	0.50	0.50	0.50	0.75	0.50
	Part IV Score	2.00/3.00	1.25/3.00	1.50/3.00	1.75/3.00	2.00/3.00
	ITPM Index Score	9.50/14.0	8.50/14.00	7.50/14.00	8.25/14.00	9.50/14.00

7

Conclusions and Recommendations

FEATS country studies offer several conclusions and recommendations based on the research and analysis in each study. Main conclusions from the five country studies include the following:

- All the five countries have experienced improved economic growth rates in recent years but poverty, unemployment, and under development remain generally widespread. The policy framework to deal with these in a comprehensive manner has been put in place. This includes a long term development framework – called a Vision, medium term development plans, and sectoral plans and strategies. The challenge is faithful, sustained and effective implementation of these plans and strategies that require substantial human, technical and financial resources as well as sustained political and bureaucratic commitment.
- The importance of trade and trade policy as key tools for growth and development is generally recognised. All the project countries have either put in place comprehensive trade policies or are in the process of doing so. The ministries responsible for trade too have been strengthened to some extent. Their primary role on all issues related to trade is established and their human and financial resources are being augmented. However, the organic links between trade policy and other sectoral policies, in the context of the overall development policy, remain weak. Similarly ministries responsible for trade still need more human and financial resources to effectively discharge their mandate including to ensure the

smooth functioning of an inclusive process for trade policy making and implementation.

- The political and bureaucratic set ups recognise the importance of having inclusive and participatory policy making processes. A number of consultative mechanisms have been established for multi-stakeholder consultations on trade-related issues. The opening up of this space has allowed the private sector and CSOs to be more visible and assertive.
- Consultative mechanisms on trade-related issues are a very welcome development and have contributed to a more mature relationship between the government and other stakeholders. However, a number of issues come in the way of the regular and effective functioning of these mechanisms. One, they often do not have clear legal mandates to offer analysis and advice that the government is required to consider: they often remain a forum for dialogue only. Two, there is a multiplicity of consultative mechanisms that makes it difficult for stakeholders to effectively participate. At the same time, the coverage of issues by some consultative mechanisms may be less than comprehensive. Three, some important stakeholders are not represented in the consultative fora, for example, consumers, Parliamentarians, small and informal businesses, etc. Four, not all the consultative mechanisms are functioning regularly. There is a perception among the non-state actors that the meetings of these consultative mechanisms lack predictable periodicity and there is a certain sense of *ad hocism* about their functioning.
- Stakeholders' participation in trade policy making has generally improved. However, not all of them seem to have equal opportunities and capacity/interest to regularly participate. Private sector seems to be doing well in this regard mainly because it has many more channels for consulting with the government, is often encouraged by the government to participate, and has a direct interest in trade policies that have an important bearing on business climate and opportunities. Relevant government ministries and agencies, other than the ministry responsible for trade, participate in trade policy consultations in varying degrees with ministries responsible for agriculture and finance often actively involved. CSOs generally feel that they do not have equal opportunities to participate in consultative fora. This is due to the less number of consultative mechanisms open to them as compared with the private sector and relevant government ministries, lack of their own capacity, and occasional tensions in their

relationship with the government as they are often more critical of government positions in international trade negotiations.

- There are a number of challenges that must be faced to have more inclusive and participatory trade policy making processes in the project countries. These challenges fall into three broad categories: i) related to limited human, technical, and financial capacities of the stakeholders; ii) related to the institutional and structural issues of the design and functioning of consultative mechanisms; and iii) related to internal challenges faced by each group of stakeholders, for example, the need to balance the interests of various members representing sectoral and sub-sectoral interests in the private sector, and the need to develop better evidence-based advocacy approaches and skills by the CSOs.

Country studies have made many recommendations based on the analysis in each country study and targeting the weaker areas as indicated by the respective scores of various groups of stakeholders in the ITPM Index. A summary of these recommendations is presented below.

Identification and involvement of remaining stakeholders

In each country some important stakeholders are still not included in consultative mechanisms. These often include: Parliament and Parliamentarians, and representatives of farmers, consumers, Small and Medium-sized Enterprises (SMEs), and trade unions. Government, particularly the ministries responsible for trade, should include them in the membership of regular consultative mechanisms and/or consult them regularly through other means, e.g., regular briefings to the Parliamentarians, public notices, etc.

Information dissemination and organisation of awareness-raising activities on trade issues

All stakeholders, including state and NSAs, should organise awareness-raising activities. Information technology and print and electronic media can be harnessed for this purpose. A particular target for such activities can be the stakeholders that have been on the margins of the trade policy making process, e.g., farmers, consumers, SMEs, Parliamentarians, women, youth, and trade unions.

Improving regular information flow to key stakeholders

Distinct from the general information flow to the public as mentioned above, there is also the need to ensure regular information flow to main groups of stakeholders on important trade issues/international trade negotiations. The primary responsibility for this lies with the ministries responsible for trade.

Rationalisation and strengthening of consultative mechanisms

Governments, through the ministries responsible for trade and in consultation with other groups of stakeholders should rationalise the mandates and number of consultative mechanisms so that while the number is reduced where possible, their mandates are broadened to cover all trade issues. The consultative mechanisms should have legal mandate to advise the government on selected trade issues. Ministries responsible for trade should also be provided with adequate human and financial resources to ensure regular functioning of the consultative mechanisms.

Improving coordination among relevant government ministries and agencies on trade issues

Governments, through the ministries responsible for trade as well as ministries/agencies responsible for overall development planning, should take steps to improve regular two-way information flow and feedback between the ministries responsible for trade, on one hand, and other relevant ministries and agencies, on the other. This may require improving the rules of procedure, current inter-ministerial coordination mechanisms, and provision of human and financial resources.

Improving the participation opportunities for CSOs

It will be fair to accord as much as possible similar opportunities to all groups of stakeholders. For example, CSOs should be accorded similar access to various consultative mechanisms as is given to the private sector.

Improving the feedback to and from represented constituencies by the private sector and CSOs

The business sector umbrella organisations and the CSOs need to make more efforts to ensure that there is better two-way information and feedback flow between them on the one hand and the constituencies they represent on the other. For example, the apex umbrella business sector organisations should have better and effective communication with other smaller private sector and business associations, particularly those dealing with/representing SMEs

and the informal sector. Similarly, CSOs links with grassroots need to be strengthened.

Building knowledge and expertise of all stakeholders on priority trade issues

Due to the complex and evolving nature of the issues, many knowledge gaps still exist in all the four groups of stakeholders with regard to trade policy. Ministries responsible for trade should be provided the resources to build capacity of their own staff and representatives of other stakeholders on selected trade issues deserving priority, e.g., those linked with on-going WTO and EPA negotiations, national development and poverty reduction plan and strategies, and implementation of trade policies. CSOs and private sector should also contribute to this effort.

Strengthening the culture of dialogue and inclusiveness

Different stakeholders more often than not have different agendas and interests. This is inevitable in a market based, democratic society. But this should not hinder their working together to better understand each other and find common ground where possible. For example, private sector and CSOs can attempt to identify issues where they share common concerns. Similarly, the governmental and non-governmental stakeholders, despite the differences in their roles and perceptions, need not view each other as adversaries. Consultative mechanisms can work much better when there is a spirit of constructive dialogue among all stakeholders. A culture that is based on a sense of common destiny and importance of inclusiveness is taking roots in all project countries as evidenced by the frequency and maturity of interaction among various groups of stakeholders (e.g., in meetings, workshops, seminars where participants representing the government, private sector, and civil society get together and debate various policy issues). This should be nurtured by all groups of stakeholders. Such a culture of dialogue and inclusiveness will be the best guarantee for long term success and sustainability of inclusive and participatory trade policy making processes.

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**Fostering Equity and Accountability in the Trading System (FEATS):
Another African initiative of CUTS**

CUTS Geneva Resource Centre (CUTS GRC) has joined hands with CUTS Africa Resource Centres in Lusaka and Nairobi to implement the FEATS project. This project envisages multi-stakeholder capacity building in Kenya, Malawi, Tanzania, Uganda, and Zambia through organically linked research, advocacy and networking activities.

CUTS has been actively working on trade and related issues in a number of sub-Saharan African countries since 2000. Working with local partners on issues such as competition, investment and regulation, trade and development and poverty linkages, it has established itself as a research based advocacy organisation assisting in achievement of the development aims of countries in the continent through South-South partnerships and raising their voices across the globe wherever international trade and development policies are being forged. To sustain and expand these efforts with national and regional linkages, CUTS established its first Africa Resource Centre in Lusaka, Zambia in 2000. Another Centre was established in Nairobi, Kenya in 2003. Both the centres are active civil society participants in their respective regions as well as in Pan-African events.

The international trade and development policy making community is active in Geneva, and the African voice needs to be heard better there. Accordingly, with support from the William and Flora Hewlett Foundation of the US, CUTS GRC was established in July 2008. This Centre is spearheading the implementation of the FEATS project, a re-affirmation of CUTS commitment to build robust North-South linkages for the growth and development of developing countries, particularly in Africa.



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