



KENYA NATIONAL DIALOGUE REPORT

“Fostering Equity and Accountability in the Trading System”

FEATS Project

Heron Hotel, Nairobi Kenya

19th May 2009

Welcome and Introduction:

By Prof. Jasper Okelo, Board Member, CUTS ARC, Nairobi

In his opening remarks, Prof. Jasper Okelo thanked the participants for honoring the invitation, Mr. Rashid Kaukab who had traveled from Geneva, and the CUTS Nairobi team for organizing the event. He also mentioned that the FEATS National Dialogue aims to present and validate the first phase draft research study on political economy of trade policy making process in Kenya and to approve the topic and discuss in depth the specific issues for the second phase research study under the FEATS Project.

The ND was attended by about 30 participants including several members of the FEATS Kenya National Reference Group (KNRG).

Presentation of CUTS and FEATS Activities:

By Clement Onyango, Centre Manager, CUTS ARC Nairobi

The FEATS project of CUTS began in 2008 and will continue through March 2011 with the broad goals of raising awareness for better coherence between development and trade policies thus contributing to economic development and poverty reduction in project countries. FEATS project countries include Kenya, Uganda, Tanzania, Zambia and Malawi. The project is divided into two phases of trade policy research, the first to analyze the political economy aspects of trade policy making process in the project countries and the second to focus on a specific issue within the broad theme of “Trade in Agriculture”. First phase research draft was completed in early 2009 and revised for presentation in National Dialogues in each country being organized in April-May 2009. National Dialogues will serve to validate the research findings in the first phase, strengthen the networks established under the FEATS project, and approve the topic and discuss the draft Terms of Reference for issue-specific studies within “Trade in Agriculture” for the second phase.

Session I - FEATS Research Study Phase One: Political Economy of Trade Policy Making Process in Kenya

By Samson Awino, CUTS ARC Nairobi

The main objective of the session was to present the findings of the research draft report and to seek views from the stakeholders to help in finalising the draft study report. The following is a summary of the session deliberations:

- ***The ITPM Index.*** There was a concern from the stakeholders regarding the ITPM index score for the Kenyan civil society. It was asserted that the index score is lower than expected despite the fact that the government had been involving the CSOs in various committees such as NCWTO, KEPLOTRADE and capacity building initiatives by various government ministries. There should be information regarding the stakeholders who were engaged during the consultation process to measure the inclusiveness in the ITPM index. Similarly, it was also mentioned that there is need to clearly specify the research methodology that was used to come up with the ITPM Index as well as a global benchmark for evaluating an ideal/comprehensive ITPM Index.

It was agreed to further explain and simplify the ITPM Index while pointing out that it was based on the feedback from various national stakeholders including KNRG members who had stated that CSO participation in the trade policy making consultative processes was often irregular and ineffective.

- ***Data Issues.*** Where possible, data from national sources should be used in addition to the data from international sources. There is also need to use the current data rather than the 2006 data as widely used in the report. For instance, the updated data on poverty can be extracted from the Kenya National Household Survey reports commissioned and compiled by the Kenya Bureau of Statistics (www.kbs.go.ke). Moreover, study should consider factoring in the period of the Government Blue Print on Economic Recovery Strategy for Wealth and Employment Creation, 2003-2007.

It was pointed out that the data will be updated for the final version of the study. While efforts will be made to access and quote data from national sources, this may not be possible in all cases due to the unavailability of data and / or lack of comparability across project countries.

- ***Presentation Issues.*** It was also agreed that more graphs can be included in the research study to present in a graphic form the information currently presented in tables.
- ***Other Issues.*** There is need to affirm if the Kenyan 2007 Draft National Trade Policy has been officially launched and whether all the stakeholders were fully engaged in the validation workshop, since this could pose problems in the implementation of the

National Trade Policy. There was also an in depth discussion to ascertain whether there was a legal document that defines the rules of engagement and mandate for the CSOs participation.

- ***Validation and Short Survey.*** The ND validated the first phase draft research study subject to the incorporation of relevant comments. Participants also provided further information and insights through a short survey based on a questionnaire. This will further supplement the findings of the research.

Session II - Discussion of the Second Phase Research Study

By Rashid S. Kaukab, Deputy Director and Research Coordinator, CUTS Geneva Resource Centre

This presentation explained the research topic, methodology and issues for the second phase of the FEATS project, as identified after consultations with Kenya National Reference Group and the FEATS Project Advisory Committee. The topic thus selected is “Regional Trade in Agriculture: Performance of and Prospects for Kenya with a Focus on Food Security and Rural Livelihoods”. The draft terms of reference prepared on this topic were presented and various components of the proposed research, its timelines and resources were explained. The inputs were solicited from the members of the KNRG to make the research more relevant to the Kenyan stakeholders.

The following are main points of the plenary deliberations:

- The topic of the envisaged research was discussed and was generally agreed as “rural livelihoods” is a broader and comprehensive term. While research on urban livelihoods is also important, the proposed study should keep the focus on rural livelihoods given the resources and need for targeted research.
- Detailed discussions were held on the definition of “region” for the study and most members agreed that the study should focus on agriculture trade in EAC region and its implications on the rural livelihoods in Kenya.
- There was an issue of study timeline in which the participants queried about the longer period envisaged. However, it was agreed that due to the timelines in the approved project document, the study timeline will remain as planned.

- It was also agreed that the TOR for the research should incorporate legal and institutional framework that will be needed for the implementation of the recommendations.
- It was suggested that since most part of the methodology is macro based, it would be important to have a micro component as well which can consist of case studies focusing on pertinent issues related to food security and rural livelihoods.
- Some members suggested the inclusion of GMOs given their implications on the rural livelihoods in the context of the agricultural production.
- There is need to factor in the specific assumptions regarding climate change which may have direct impact on agricultural production. Political and regime change could also be factored in for the reason that it influences most policies.
- The KNRG agreed that it could be important to involve key institutions and policy makers that will improve the buy-in of the recommendations for implementation. Key institutions cited as entry points included: Ministries of Trade, Industrialization, EAC and agencies such as KEPLOTRADE and the inter-ministerial forum.
- It was felt that policy recommendations from the study would be useful for various negotiations, e.g. EPA-EAC, and the WTO negotiations.
- It was also suggested that Aid for Trade could be included in the study given the importance of farmers' access to capital to increase production and trade.
- Some recommended inclusion of situational analysis, status, trends and challenges in the formulation of the national food security strategies. This was envisaged to identify the existing gaps and to develop recommendations for appropriate policies.

Conclusions:

The draft ToR will be revised taking into account various comments in the context of the project objectives and resources. Members of the KNRG were also encouraged to continue sending further comments via email. Revised ToR will be circulated among the members of the KNRG for further comments and finalization latest by September 2009.

Samson Awino of CUTS ARC Nairobi thanked the participants for their very useful contributions and brought the ND to a close.